

EXHIBIT 11

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Attorneys for Plaintiff
Accounts Receivable Acquisitions

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES,**

ACCOUNTS RECEIVABLE
ACQUISITIONS, a California Limited
Liability Company.

Plaintiffs.

vs.

ACCOUNTS RECEIVABLE LTD
LIABILITY COMPANY, a California
Limited Liability Company; MARISA
SCHERMBECK, an individual.

Defendants.

Case No.:

COMPLAINT FOR:

1. CONSTRUCTIVE TRUST;
2. DECLARATORY RELIEF

Plaintiff alleges:

FACTS COMMON TO ALL CAUSES OF ACTION

1. Plaintiff Accounts Receivable Acquisitions, LLC ("ARA") is a limited liability company doing business in the State of California.
2. Defendant Accounts Receivable LTD Liability Company ("AR LTD") is a limited liability company doing business in the State of California.
3. Defendant Marissa Schermbeck is an individual residing in the State of California.
4. Ali Ghandour is the owner of ARA

1 5. In or about 2003, Mr. Ghandour formed ARA in order to contract with various
2 hospitals throughout Southern California to purchase accounts receivables from hospitals for
3 Workers' Compensation and personal injury surgeries performed at the contracted hospitals.

4 6. ARA would pay various hospitals in Southern California for Workers'
5 Compensation and personal injury case receivables such that ARA would obtain the right to bill for
6 and collect payment for these cases.

7 (7.) After the formation of ARA, ARA appointed defendant Marissa Schermbeck to act
8 as the manager of ARA operations. Ms. Schermbeck issued checks and collected payments on
9 behalf of ARA. Ms. Schermbeck also maintained the accounts and records of ARA.

11 (8.) On or about March 12, 2008, Mr. Ghandour authorized Ms. Schermbeck to form a
12 new successor company to ARA. The reason for this was that Ms. Schermbeck had represented to
13 him that it would facilitate operation of the business if a new entity was formed which would be
14 owned and operated by ARA. The new company which Ms. Schermbeck formed was Accounts
15 Receivable LTD ("AR LTD"). Mr. Ghandour authorized Ms. Schermbeck to act as the manager of
16 AR LTD. The owner of AR LTD is ARA which is owned by Mr. Ghandour.

18 9. After its formation, AR LTD entered into the same contract with a hospital in
19 Southern California as was previously entered into by ARA. At that time, the contract between
20 ARA and that same hospital was terminated.

21 (10.) In addition, when AR LTD was formed on or about March 12, 2008 all of the start-
22 up capital necessary to form AR LTD, which consisted of over three hundred thousand dollars
23 (\$300,000.00) was paid from ARA's accounts. This was because Mr. Ghandour intended AR LTD
24 to be owned by ARA.

26 (11.) Mr. Ghandour has always taken a hands-off approach to the operation of the ARA-
27 AR LTD business, leaving basic management and day-to-day operations to Ms. Schermbeck. In
28

1 exchange, Ms. Schermbeck has forwarded monies to ARA or on behalf of ARA. Mr. Ghandour has
2 recently learned that, apparently, Ms. Schermbeck had, without his knowledge or approval, listed
3 herself as the owner of AR LTD, even though ARA has always been the true owner of the ARA-AR
4 LTD business. Ms. Schermbeck was never authorized by Mr. Ghandour or anyone else to list
5 herself as owner of AR LTD. It is unclear whether Ms. Schermbeck's listing of herself as the owner
6 of AR LTD was an inadvertent mistake on her behalf or an intentional act.

7
8 12. In addition, throughout the life of AR LTD, Ms. Schermbeck has repeatedly sent
9 wire transfers from AR LTD accounts to ARA's account in Lebanon as well as accounts in
10 Germany related to ARA.

11 13. Beginning on or about June 16, 2010, Ms. Schermbeck has repeatedly refused to
12 disclose to Mr. Ghandour additional information regarding ARA-AR LTD to establish Mr.
13 Ghandour's ownership of AR LTD. The situation has become hugely problematic because there are
14 outstanding contracts and accounts with hospitals that require immediate attention. Apparently, Ms.
15 Schermbeck is no longer fulfilling AR LTD's obligations to hospitals under contracts, nor enforcing
16 AR-LTD's rights under those contracts.

17
18 14. For example, AR LTD is currently in litigation with San Fernando Community
19 Hospital, Inc. ("SFCH") over terms of its agreement with SFCH to purchase cases for its accounts
20 receivable, Case No. BC438708. However, beginning on or about June 16, 2010, ARA and Mr.
21 Ghandour have lost all contact with Ms. Schermbeck and have been unable to direct the lawsuit.

22 FIRST CAUSE OF ACTION

23 (For Constructive Trust)

24
25 15. Plaintiffs repeat, reallege, and incorporate herein by this reference each and every
26 allegation contained in paragraphs 1 through 14, inclusive, as though set forth in full herein.

27 16. There exists, in the present case, particular property or an interest in property; e.g.
28

1 the controlling interest and ownership over AR LTD.

2 (17) The true owner of AR LTD is ARA. As such, ARA is entitled to all rights related to
3 the control of AR LTD. ARA has the right to claim control and seek control over all interests
4 related to AR LTD.

5 (18) There is a genuine dispute over who is the true owner of AR LTD. Prior to the
6 formation of AR LTD. Ms. Schermbeck had been the manager and employee of ARA, which is
7 owned by Ali Ghandour. As previously noted, Mr. Ghandour's express intention and instructions to
8 Ms. Schermbeck had always been that AR LTD was merely to be an extension of ARA, and AR
9 LTD was to be owned by ARA.

10 (19) Defendant Schermbeck started AR LTD in or about 2008. Mr. Ghandour appointed
11 Ms. Schermbeck as the manager of AR LTD.

12 (20) Defendant Schermbeck's creation and acquisition of AR LTD, and its subsequent
13 property interests, was wrongful, in that Ms. Schermbeck apparently listed herself as the owner of
14 AR LTD, contrary to Mr. Ghandour's express instructions and intentions. MU

15 (21) If the property interest in AR LTD is not returned to its rightful owner, which is
16 ARA, then Defendant Schermbeck would be unjustly enriched at the expense of ARA.
17 Consequently, ARA is entitled to the implementation of a constructive trust, transferring all
18 property interests in AR LTD to ARA.

19 SECOND CAUSE OF ACTION

20 (Declaratory Relief)

21 22. Plaintiff repeats, realleges, and incorporates herein by this reference each and every
22 allegation contained in paragraphs 1 through 21, inclusive, as though set forth in full herein.

23 23. Plaintiff seeks declaratory relief. An actual controversy exists between ARA and AR
24 LTD and Ms. Schermbeck, as to whether AR LTD is controlled by Ms. Schermbeck or by ARA.

24. There is a genuine dispute over who is the true owner of AR LTD. Prior to the formation of AR LTD, Ms. Schermbeck had been the manager and employee of ARA, which is owned by Ali Ghandour. Around 2008, Ms. Schermbeck had represented to Mr. Ghandour that it would facilitate operation of the business if she created a separate entity (which would be AR LTD), which would be owned and operated by ARA. As far as ARA and Mr. Ghandour knew, Ms. Schermbeck had formed AR LTD for those ~~express~~ purposes.

25. Mr. Ghandour has always taken a hands-off approach to the operation of the ARA-AR LTD business, leaving the basic management and day-to-day operations to Schermbeck. In exchange, Schermbeck has forwarded the monies to Mr. Ghandour and/or ARA. However, Mr. Ghandour very recently learned that, apparently, Schermbeck had, without his knowledge or approval, listed herself as the owner of AR LTD, even though Mr. Ghandour has always been the true owner of the ARA-AR LTD business.

26. The situation has become hugely problematic because there are ^{none} many outstanding contracts and accounts with hospitals that require immediate attention. As far as Mr. Ghandour can tell, Schermbeck has simply taken a "holding position" state, neither fulfilling AR LTD's obligations to the hospitals under the contracts, nor enforcing AR LTD's rights under those same contracts.

27. Unless and until this Court provides declaratory relief, the situation regarding the true owner of AR LTD will remain a source of active controversy, to the mutual detriment of Mr. Ghandour, ARA, the hospitals, and, most likely, even to AR LTD and Schermbeck.

28. Plaintiff seeks an order declaring it the true owner of AR LTD, entitled to full operation and control over the business affairs and other matters of AR LTD, and declaring that Schermbeck wrongfully acquired title and property rights of AR LTD.

///

PRAYER

Wherefore, Plaintiff prays, as follows:

1. For an order by the Court that Defendants return the property interest and ownership of AR LTD back to its rightful owner, ARA.
2. That this Court declare that Marisa Schermbeck wrongfully acquired title to AR LTD and that the true owner of AR LTD is ARA and not Defendant Schermbeck.

DATED: July 8, 2010

FENTON & NELSON, LLP

By: 

BENJAMIN FENTON
Attorney for Plaintiff
Accounts Receivable Acquisition

EXHIBIT 12

CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court

JUL 22 2010

John A. Clark, Executive Director
By 12 Jul 13 2010 12 Dept
KATE SANCTEZ

1 Marisa Nelson
2 In Pro Per
3 239 Vista Del Parque
4 Redondo Beach, CA 90277
5 (310) 947-5760

6 SUPERIOR COURT FOR THE STATE OF CALIFORNIA
7 FOR THE COUNTY OF LOS ANGELES,
8

9 ACCOUNTS RECEIVABLE
10 ACQUISITIONS, a California
11 Limited Liability Company ,
12 Plaintiffs,

13 vs.

14 ACCOUNTS RECEIVABLE LTD
15 LIABILITY COMPANY, a California
16 Limited Liability Company;
17 MARISA SCHERMBECK, an
18 individual,

19 Defendants.
20

) Case No.: BC441301

) DECLARATION OF MARISA NELSON IN
) OPPOSITION TO COMPLAINT FOR
) CONSTRUCTIVE TRUST AND
) DECLARATORY RELIEF

) DATE: July 29, 2010

) TIME: 8:30 am

) DEPT: 85

21 I, Marisa Nelson, aka Marisa Schermbeck, declare:
22

23
24 1. The following statements are true and correct based
25 upon my own personal knowledge and, if called to testify on the
26 matters contained herein, I could and would competently so
27 testify.
28

1
2
3 2. In 2008 I was employed as an executive administrative
4 assistant to Munir Uwaydah, M.D.
5

6 3. On or about March 12, 2008, I formed AR LTD at the
7 request of Munir Uwaydah M.D. I formed this company with my
8 name and my social security number at his request. I was also
9 told by Dr. Uwaydah to list myself as the manager. Prior to
10 March 12, 2008, Munir Uwaydah, M.D., appointed me as the manger
11 of ARA (Accounts Receivable Acquisitions, LLC).
12

13 4. I have no knowledge of anyone named Ali Ghandour. I
14 have never met, spoken to, corresponded with, emailed, text
15 messaged, or otherwise communicated with anyone named Ali
16 Ghandour.
17

18 5. No start up funds for AR LTD were received from ARA or
19 Ali Ghandour, all funds were received through Munir Uwaydah,
20 M.D.
21

22 6. All direction for the operation of both companies has
23 ALWAYS come directly from Munir Uwaydah, M.D.
24

25 7. Any and all money transfers were made at the direction
26 of Munir Uwaydah, M.D. Such transfers were made to similarly
27
28

1 named accounts in Lebanon and in Germany, which I was told
2 belonged to either Munir Uwaydah or his mother, Farihan Renno-
3 Uwaydah.
4

5 8. On or about June 24, 2010, I met with Benjamin Fenton,
6 Attorney at Law, where both he and Munir Uwaydah requested that
7 I sign a declaration stating that Ali Ghandour and ARA were the
8 true owners of AR LTD. I informed Mr. Fenton and Dr. Uwaydah
9 that I could not do so because I do not know any person named
10 Ali Ghandour and all of the information in the declaration was
11 false. I was subsequently served with this complaint when Mr.
12 Fenton was attempting to obtain an ex-parte TRO.
13
14

15 9. The moving papers and declaration of Ali Ghandour in
16 support of the Constructive Trust and the Declaratory Relief
17 contain the same information which I already informed Mr. Fenton
18 was false.
19
20

21 10. To my knowledge, AR LTD has no current agreements or
22 contracts.
23

24 11. To my knowledge, all AR LTD bank accounts have been
25 frozen pursuant to a court order as a result of a criminal
26 investigation currently being conducted by the Los Angeles
27 County District Attorney's Office.
28

1
2 I declare under penalty of perjury under the law of the State of
3 California that the foregoing is true and correct.
4

5
6 Date: July 19, 2010

7 
8 Marisa Nelson
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PROOF OF SERVICE
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a resident of the aforesaid county and I am over the age of eighteen years. My address is 239 Vista Del Parque, Redondo Beach, California, 90277.


On July 21, 2010, I served a copy of the attached **DECLARATION OF MARISA NELSON IN OPPOSITION TO COMPLAINT FOR CONSTRUCTIVE TRUST AND DECLARATORY RELIEF** upon the following parties, such parties being all that are required to be served:

VIA U.S. FACIMILE (310) 444-5280

FENTON & NELSON, LLP
Henry R. Fenton
Benjamin Fenton
Nicholas D. Jurkowitz
11835 West Olympic Blvd., Suite 925
Los Angeles, CA 90064

I declare under the penalty of perjury under the laws of the state of California that the forgoing is true and correct to the best of my knowledge and belief.

Executed on July 21, 2010, at Redondo Beach, California.



Marisa Nelson

EXHIBIT 13

STATEMENT OF

MARISA NELSON

Taken at Hall of Records, 320 W. Temple St., Los Angeles.

Case Name: P v. Uwaydah
Case Number: 2010-F-2096

APPEARANCES BY

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Amy E. Jacks
Attorney at Law
Law Office of Amy E. Jacks
315 East 8th Street, #801
Los Angeles, California 90014

REPORTED BY:

Sara A. Mahan
Stenographic Reporter
Los Angeles County District Attorney's Office
Stenographic Reporters Unit
CSR #10647

1 It was just known.

2 Now, it was known because Uwaydah would talk to her,
3 independently. And, then, talk to me, independently. But,
4 he didn't ever tell me "Oh, we're changing the MRI's." But,
5 I put two-and-two together. When you have an MRI company
6 that -- and, you see a couple e-mails back and forth about
7 bad MRI's, or whatever, you can assume.

8 Q. Well, okay. So, that's a good example of what I'm
9 talking about -- e-mails regarding the MRI's. What did you
10 see? And, I -- and, I -- listen. There's hundreds of
11 patients a day. Okay. And, this is over the course of
12 several years. I don't expect that you can tell me --
13 there's, probably, many ways things were done. I'm just
14 looking for examples of things that you saw happen. E-mails
15 that direct -- that you saw happen. And, that's what I'm
16 looking for. Something that you could say "Well, I remember
17 something like this. This -- this happened on a few
18 occasions. Uh, this happened on a few occasions" -- if it
19 did or it didn't. But, I just need you to -- you know, what
20 was it that you, personally, witnessed? And, how that you
21 knew what was going on. And, why was it that, if everybody's
22 at the table talking, everybody understood what their job
23 was?

24 You know, I mean, it seemed like there was -- it
25 seemed to be a common understanding of what the role was.

26 A. Right. But, again, he didn't keep us all together.
27 He kept us separate on purpose.

28 Q. No, no.

1 A. So -- so -- but, Maria I'm fuzzy on. I know that
2 she was Director of Surgery. I don't know what he told her
3 and didn't tell her. But, I do know that that was the time
4 where the surgeries were amped-up and he was buying
5 receivables from -- from the facilities. And -- and, that
6 was, obvious -- uh, it was known that it had a lot of
7 surgeries that are authorized so you can paid on those, and,
8 get paid for the facility billing -- which is hundreds of
9 thousands of dollars.

10 Uhm, with Paul Turley, I mean, I had more direct
11 knowledge as to what he was doing, in terms of capping and
12 opening companies and -- and -- and buying cars. And which
13 is maybe not relevant, in this case. But, I mean, he was
14 the -- very similar to me, as Uwaydah says it, you just go do
15 it. Uhm, but, I know that he was constantly asking for cash
16 for the attorneys, and -- and, sending me lists and having
17 Esther do the lists. And, then, she would e-mail them to me.
18 And, uh -- so, I'm more clear on Paul Turley. But, with
19 Maria Turley, it's a little more of an assumption than it is
20 a direct knowledge, until I can go back and kind of try to go
21 through the timeline in my e-mails -- which I've been trying
22 to do, and see what communications there were, at that
23 timeframe. Because, then, it's like, "Oh, yeah, I remember
24 that." But, right now --

25 Q. No, I'm not trying to put words in your mouth.

26 A. Right.

27 Q. I'm just trying to jog your memory and ask -- and
28 I'm trying to alert you to the kind of detail I'm looking

1 questioning the -- the purpose of things, for your benefit?

2 A. Right. I think I knew, essentially, I wasn't what I
3 was signing. Uh, at the time, I -- I'm assuming that I knew
4 it was not signing away his life or anything, you know. It
5 was something that had to do with AR, Ltd. or ARA.

6 Q. Okay.

7 A. And -- and, I was aware of that. So, he would just
8 say, "Well, you have to do it for the company. We have to
9 get this taken care of." So, I just didn't question it.

10 Q. BY MR. MC CRILLIS: In your mind, uh, who was Ali
11 Ghandor? Was -- was he a doctor, supposedly? Or what was
12 his role?

13 A. I have no idea. I -- uh, in my mind, he's just a
14 name. Like it was just a name. Because Uwaydah couldn't own
15 ARA.

16 Q. BY MR. MATHAI: And, why couldn't Uwaydah own ARA?

17 A. Because ARA was -- I don't remember the early
18 formation. ARA morphed into AR, Ltd. Well, it was ARA to
19 another ARA variation. Then, AR, Ltd. And, I think it may
20 have changed one last time. It was, as it sounds, a accounts
21 receivable acquisition company. So, as you'll find later on
22 in the years, he had this company to where he was doing
23 surgeries at a hospital. The company would buy the
24 receivables, for pennies on the dollar, to the hospital.
25 And, then, collect from the insurance companies.

26 Q. Right.

27 A. So, that's the basis of accounts receivable
28 acquisitions, I think. But, early on, it wasn't doing such a

EXHIBIT 14

CONFIDENTIAL
ROBERT M. BERNSTEIN, VOL. II A9018F9 MARCH 16, 2015

1 UNITED STATES BANKRUPTCY COURT
2 CENTRAL DISTRICT OF CALIFORNIA
3 LOS ANGELES DIVISION

5	In re:)	
)	
6	MARISA NELSON AND PETER NELSON)	CASE NO.:
)	2:12-bk-15672-TD
7	Debtors,)	Chapter 7
	-----)	
8	MARISA NELSON,)	ADV. NO.
9)	2:14-ap-01100-TD
	Plaintiff,)	
10)	
	vs.)	
11)	
	ROBERT M. BERNSTEIN;)	
12	RYAN D. SABA; ROSEN * SABA,)	
	LLP; and DOES 1-10, inclusive,)	
13)	
	Defendants.)	

CONFIDENTIAL

DEPOSITION OF:

ROBERT M. BERNSTEIN, VOLUME II

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MANHATTAN BEACH, CALIFORNIA

MARCH 16, 2015

21 ATKINSON-BAKER, INC.
COURT REPORTERS
22 (800) 288-3376
www.depo.com

24 REPORTED BY: RACHEL L. QUINONES, CSR NO. 13307
25 FILE NO.: A9018F9

CONFIDENTIAL
ROBERT M. BERNSTEIN, VOL. II A9018F9 MARCH 16, 2015

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:)
))
MARISA NELSON AND PETER NELSON) CASE NO.:
) 2:12-bk-15672-TD
Debtors,) Chapter 7
))
MARISA NELSON,) ADV. NO.
) 2:14-ap-01100-TD
Plaintiff,)
))
vs.)
))
ROBERT M. BERNSTEIN;)
RYAN D. SABA; ROSEN * SABA,)
LLP; and DOES 1-10, inclusive,)
))
Defendants.)

Deposition of ROBERT M. BERNSTEIN, VOLUME II,
taken on behalf of Debtors/Plaintiff, before
Rachel L. Quinones, Certified Shorthand Reporter #13307
for the State of California, commencing on Monday,
March 16, 2015, at 9:08 a.m., at Ravens Lamb, LLP,
1500 Rosecrans Avenue, Suite 418, Manhattan Beach,
California.

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A P P E A R A N C E S

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I N D E X
WITNESS: Robert M. Bernstein
EXAMINATION
By Mr. Ravens
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CONFIDENTIAL
ROBERT M. BERNSTEIN, VOL. II A9018F9 MARCH 16, 2015

BY MR. ROVENS:

Q Okay. And you had a number of discussions with Jackson where he told you that; correct?

A More than one, yes.

Q And again, when he told you if she transferred any assets of the businesses, is that different than cash?

A Transferring ownership in the businesses.

Q Okay. Now you remember him saying if she transferred ownership?

A Yes.

Q Okay. Ownership and assets or just now ownership?

A No, we talked about cash, and we talked about ownership interest in the businesses.

Q And so you recall under oath here today Jackson telling you if Ms. Nelson transfers any ownership interest in her businesses to Uwaydah or any of his designees, that she -- well, what did he tell you about that? She would be subject to arrest or prosecution, or something else?

A He did not use that language, no.

Q Okay. So what did he say the penalty would be, so to speak, if she were to transfer any ownership interest in businesses that you understood she owned to

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Uwaydah or his designees?

A Again, Marisa had been in a multi-year, complex fraud --

Q I'm just asking what he said about that subject.

A Okay. He said if Marisa continues to commit further overt acts in furtherance of the conspiracy, she would no longer be considered having ended working with the conspiracy, she would still be a member of the conspiracy, and they would not be interested in working with her further as a cooperating witness.

Q Okay. So he didn't say anything to you about her being subject to immediate arrest or prosecution, but that they would end the cooperation?

A No, that's not what I just said. She would still be -- she already had criminal liability, which she had now disavowed, saying I'm no longer a member of this conspiracy. If she continued to be a part of the conspiracy and commit overt acts, she would still be responsible for not only her own actions, but those of all other coconspirators, whether she knew about them or not.

Q Okay. And did Jackson say anything about, and, by the way, if she does anything like that, we're going to arrest her and charge her?

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A Well, that's implied, that she's under criminal --

MR. RYKOFF: But did he say it is the question?

THE WITNESS: No, he did not.

BY MR. ROVENS:

Q Okay. He didn't say it.

And did you, during any discussions with Jackson, advise him that certain of these companies were solely owned by Ms. Nelson?

A I know it did come up at one point because --

MR. JEFFRIES: Please, please, listen to the question and see if you can answer the question, rather than when it came up and what happened and --

THE WITNESS: Can you ask the question again?

MR. ROVENS: Yeah.

BY MR. ROVENS:

Q Do you recall ever discussing with Jackson that Ms. Nelson was the legal owner and sole owner of certain companies?

A Yes.

Q And when did that happen?

A I can't give you an exact date. Sometime in July and/or August.

Q And either in July or August, when you discussed or told Jackson that Marisa Nelson was the

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legal owner of certain companies, did he tell you that she can't transfer her ownership interest in those companies to Uwaydah or any of his designees? Did he consider that to be a breach of the cooperation agreement?

A He told me what I already told you. Do you want me to restate it again?

Q Well, I'm trying to pinpoint the time. You told me you had a number of conversations with him. At one time you said assets of the businesses, and then you said no, it was assets and ownership. So now I'm trying to pinpoint in time what was said with respect to her transferring ownership in the companies, that's the time I'm trying to pinpoint.

A Okay. First, you misstated what I said, but I don't know the time. As I told you, July or August we specifically discussed it.

Q Okay. And how did it come up that Ms. Nelson was the legal and sole owner of certain of these businesses?

A It came up in two ways.

Q And tell me about them.

A Number one was Marisa had -- Dr. Uwaydah had begun his first lawsuit against Marisa. The Fentons had sued her claiming that she was not the legal owner of

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CONFIDENTIAL
ROBERT M. BERNSTEIN, VOL. II A9018F9 MARCH 16, 2015

AR, Limited. So we discussed that with Alan Jackson.

Q And what did you say to Jackson about that?

A Actually, Marisa and I discussed it directly with him.

Q Okay. And tell me, as best as you can remember, what was discussed about that subject with him.

A Marisa was outraged that they were already filing a lawsuit against her, that she is the true legal owner of AR, Limited; the person that was suing her by the name of Aly Ghandour was not a real person, a fictitious name that Uwaydah often uses in relation to lawsuits or he lists company names under, and that she wanted to fight the lawsuit and wanted to know if Alan Jackson could be of any assistance to her.

Q And during that discussion, did Jackson say to you and Marisa that she should not transfer her ownership interest in AR, Limited to Uwaydah or any of his group?

A Yes.

Q And when he told you that, did he also at that time tell you that if, in fact, she did transfer her interest in AR, Limited to Uwaydah or any of his designees or group, that he would consider that to be a violation of her cooperation agreement?

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A Well, he used the language I used previously.

Q But that's when it was said?

A No, it had been said prior to that.

Q With respect to AR, Limited?

A That was specifically about AR, Limited and then GSP.

Q And when you say "and then GSP," did you also talk about GSP during that meeting?

A Not that meeting, one shortly thereafter.

Q And was that a meeting with you, Jackson, and Marisa?

A I believe that was myself and just Jackson.

Q Was that on the phone or in person?

A On the phone.

Q And tell me, as best you recall, what was said between you and Jackson regarding Golden State Pharmaceuticals in that telephone conversation?

A At this point, we had been made aware that somebody was suing Marisa, Berkshire Hathaway Insurance was suing GSP and Marisa, and since Alan had already warned my client and myself not to transfer or settle -- you know, to transfer any assets of any sort with regard to the business, I ran it by him, that if Marisa chooses to settle this lawsuit outstanding with GSP, would he consider that to be an overt act or a continuation of

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the conspiracy, meaning I ran it by him so we wouldn't do anything that would overturn the court that he had set down guidelines.

Q And what did he say to you?

A He said, "Well, can you tell me exactly what it was," and I explained it to him.

Q You explained the settlement?

A No. I explained that a law firm said they were prepared to file a lawsuit for -- I forget how much money -- it was over a million dollars for fraudulent prescriptions that had been billed by GSP through Berkshire Hathaway Insurance, and that they wanted to know if Marisa would enter into a settlement to basically disclaim -- I think that was the language -- disclaiming these fraudulent things. And I asked Alan, "If Marisa enters into such an agreement, would you consider that to be a violation of our agreement?"

Q And he told you he needed more information?

A Right.

Q And did you provide him with more information?

A I did.

Q At a later time?

A Yes.

Q And what did you provide him with?

A I don't remember if I gave him the details or

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if he spoke -- I referred him to somebody he had already spoken to, a gentleman by the name of Gordon Gord, who was the investigator for Berkshire Hathaway, and Alan spoke to him to understand it more because it was more within his area than mine.

Q And did you provide anything to Jackson in writing relating to the GSP settlement discussion?

A I don't believe so.

Q So you didn't send him a draft of the settlement agreement or anything like that?

A No.

Q So you've told me now specifically about your discussions with Jackson about GSP, about AR, Limited specifically, and I think, generally, prior to that, you testified as to him telling you, essentially, if she transfers any of her businesses to Uwaydah or his designees, that could be trouble. I know those are not your words, but just trying to make sure we cover all the times you spoke with him about this.

Do you recall any other discussions with Jackson where the subject of transferring Marisa's ownership interest in any of the businesses was discussed?

A Other than what I've already told you about?

Q Yes, other than what you've told me about.

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EXHIBIT 15

FILED
Superior Court of California
County of Los Angeles

03 08 2018

I.

FACTUAL STATEMENT OF PAUL TURLEY

BA455469-BA455470-BA455473

Sherri R. Carter, Executive Officer/Clerk
By W. W. Warren Deputy
Wendy Warren

1. PT Beginning in October 2018, without any promises of leniency or other consideration, I made proffer statements with the Los Angeles County District Attorney's Office over the course of two months.
2. PT All Statements made during these proffer sessions were made in the presence of my attorney, Louis Sepe.
3. PT All statements made during these proffer sessions were truthful and based upon my personal knowledge which was acquired over many years through my personal participation, my personal observations, and my interaction and personal conversations with co-conspirators.
4. PT During these sessions I have continued to refresh my recollection of events by reviewing documents and correspondence in my possession. I have also provided corroborating documentation to the Los Angeles County District Attorney's Office.
5. PT Prior to giving my proffered statement to the Los Angeles District Attorney's Office, I consulted with my attorney Louis Sepe, and I knowingly, expressly and willingly waive my Attorney-Client Privilege and Work-Product protection and consent to the disclosure of all material related to my representation by the law firm of Bird, Marella, Boxer, Wolpert, Nessim, Drooks, Lincenberg (& Rhaw), Benjamin Gluck and any Partner, Associate or Attorney working with or in association with the aforementioned Law Firm. Furthermore, I waive any Attorney-Client Privilege by virtue of individual or joint representation or based upon any actual or alleged ownership, membership, status as shareholder, board member, office holder, manager or designated representative agent, incorporator, shareholder, or any other capacity with any entity or related entity or subsidiary, actual or alleged, known or unknown, including any entities which are referenced in the current criminal prosecution and/or associated litigation, associated with Munir Uwaydah. Additionally, to the extent that I can assert or waive Attorney-Client Privilege for any entity as described above, I hereby waive that privilege on behalf of such entities. I have signed a written waiver to reflect the aforementioned.
6. PT I worked directly with Munir Uwaydah, M.D. as a named partner of Frontline Medical Associates from 2004 to 2015. It was my intention at the formation to be a partner with Dr. Uwaydah in the ownership and profits of the business.
7. PT As formed, we were supposed to share in the profits of the business and Uwaydah was to receive and keep his professional fees for surgeries performed.
8. PT However, it soon became apparent that although I was listed as a partner with 49 percent ownership in the business, I was not in fact a partner. For the first year of operation I received no salary or compensation. I had no authority or control over the

business. All decisions were made by Dr. Uwaydah who maintained absolute control over all aspects of the business.

9. PT I never received a portion of the profits, nor did I receive any actual shares or dividends. Rather, I received a regular paycheck as if I was merely a salaried employee. My salary, as with all other aspects of Frontline's finances, was controlled exclusively by Munir Uwaydah.
10. PT Frontline was not a corporation or partnership. It was simply Dr. Uwaydah's business. Frontline did not have a true Board of Directors, or Officers. Nor did Frontline have annual board meetings. Various names were placed on Secretary of State filings to give the impression that Frontline was a valid medical corporation, but these filings were false.
11. PT In 2011, at Uwaydah's direction, attorney Steven Gardner knowingly had me falsely backdate Frontline Secretary of State documents out of concern that law enforcement or insurance companies would question the validity of the corporation.
12. PT Originally, Frontline was intended to be a defense oriented medical facility that would cater to businesses or insurance firms that had injured workers. That business model did not work out and the business evolved into a patient/applicant centered operation.
13. PT The operational model was to recruit to patients through capping and maximize billing for patient services regardless of patient needs. There were certain aspects of services that were very profitable, particularly prescription medications and surgeries.
14. PT Maximizing the value of the patient included profiting from every aspect of patient care, including pharmaceuticals, MRI's, therapy and other services. This was accomplished by "referring" patients to seemingly separate companies that performed these services. However, these referrals were made to businesses that were in fact owned and controlled by Dr. Uwaydah without disclosing his ownership in the companies.
15. PT Uwaydah owned and controlled many companies and properties even though other individuals were listed as the owners or they were supposedly corporations with managing board members. This was all done intentionally so that Uwaydah could hide his ownership and his control from creditors, insurance investigators, government agencies, and law enforcement. He exercised absolute control over all of these entities. These companies included, among others, Firstline, Golden State Pharmaceuticals, Fusion, U.S. Health, Controlled Health Management, California MRI, Accounts Receivable Acquisitions, Sentinel Health Medical, LA Health Partners, Greenline Medical Management, Emphyrean, Blue Oak, and La Jolla.
16. PT Uwaydah controlled purported owners, co-conspirators and others by various means including, but not limited to, manipulation, loyalty, financial incentives, fraudulent "promissory notes," litigation, and threats

17. PT Although I managed the daily operations of the San Fernando medical clinic, I had no actual authority over Frontline and had to ask Uwaydah for permission to do anything related to the company, including receive money to pay cappers. My value to Uwaydah was that I had connections to lawyers that would refer clients for a fee.
18. PT I paid various lawyers, either directly, or through intermediaries called "cappers," for illegal patient referrals to Frontline. Defendants Tony Folgar and Yolanda Groscost were "cappers" that I directly paid for illegal referrals. I knew Jeff Stevens to be a capper who was being paid cash by Marisa Nelson. I have also identified several law firms, lawyers, and their intermediaries that knowingly engaged with me in the crime of capping. With all of these individuals and firms, mutual effort would be made to conceal the payments because all parties knew the conduct was illegal. Payments would often be made in cash, in secret, and without any paper trail. We would refer to our conduct as "marketing" to mask its true illegal nature. Defendants Tatiana Arnold, Kelly Park, and Wendee Luke knew and/or facilitated this illegal scheme.
19. PT Emphasis was placed on recruiting patients that would ultimately receive surgery because it was very lucrative. Bonuses were paid to cappers for surgical patients.
20. PT Attorneys were encouraged not to settle cases until surgery was performed on the patients. Dr. Uwaydah also tried to set up a process with applicant attorneys to forward money to patients, purportedly an advance of the settlement, as an incentive to have surgery.
21. PT Jeff Stevens was a capper for attorneys Dennis Fusi and Arthur Hampton. Marisa Nelson was paying Jeff Stevens' his capping fee. The primary goal for both Tony Folgar and Jeff Stevens was to get patients into surgery.
22. PT Kelly Park gave me \$10,000.00 in cash in an envelope for me to pay cappers.
23. PT Once a patient was recruited they would be seen by a doctor or physician assistant. The patient would be prescribed medications and directed to further diagnostics or therapies with the goal of ultimately billing for surgery on the patient.
24. PT An important aspect of maximizing the value of the patient was prescription medication. The treating physicians were not given prescription pads and were not supposed to give the patients a prescription to get filled at a pharmacy of their choice. Instead, prescribed medication was limited to a formulary, and the medication would be provided by Frontline or a Uwaydah owned/controlled pharmacy and mailed to the patient.
25. PT Uwaydah determined what the formulary was and all the patients basically got the same prescriptions, regardless of their ailment.
26. PT Physicians and PA's working for Frontline were told that they must prescribe from the pre-printed prescription formulary which listed the most profitable medications, and they must not deviate. If the treating physician or PA did not prescribe all the

medications that could be justified, then it would be added on to the patients' prescriptions without the knowledge of the treating physician.

27. PT Dr. Mills and Colivas complained about the prescription formulary because they would never prescribe certain combination of medications because they conflicted and would be dangerous taken together.
28. PT Letty Lemus was Frontline's Office Manager. She also controlled the pharmaceuticals at Frontline, and was involved in the pharmacy and the prescription formulary.
29. PT Kelly Park and her sister Kim Park were in charge of the pharmaceutical billing, which they did at a house in Somis, that also served as a dog kennel. When I was at the house to pick up a dog, I saw Kelly and Kim Park and Ronnie Case there, and I also saw numerous patient files there.
30. PT There was a fire in the large garage behind the San Fernando Frontline office which stored a lot of Frontline's medical records. I saw Kelly Park at the fire scene and she told me that she was in the room looking at files and left the heater on. Documents, including patient files, were destroyed or damaged in the fire. Uwaydah also told me that Kelly had caused the fire by leaving the heater on.
31. PT Uwaydah instructed that Frontline patients be prescribed compound medications because they were very expensive and profitable.
32. PT There were certain industry procedures that were expected before surgery could be recommended. Patients were moved towards surgery through a process that included diagnostics, referrals for a surgical consult, and ultimately a recommendation for surgery.
33. PT In order to justify surgeries to insurance companies, Susan Moreno and Peter Nelson reviewed patient files that were not recommended for a surgical consult by the treating physician. They would then recommend a surgical consultation by an orthopedic surgeon.
34. PT Peter Nelson, not Uwaydah, would then do the surgical consultations which would result in a recommendation for surgery. Peter Nelson would do 90% of the surgical consultations, but Uwaydah's name was placed on all of the reports, and Frontline billed the insurance companies as if Uwaydah did the consultations.
35. PT Uwaydah would rarely see a patient unless Uwaydah needed to convince the patient to have surgery despite the patient's reluctance.
36. PT Alterations were being made to surgical reports and MRIs in order to justify authorization for surgeries, which were very lucrative, particularly spinal fusions. After Susan Moreno stopped doing the reports, Uwaydah asked me to do some surgical reports for spine cases. Uwaydah told me to put an x-ray report into a patient chart that didn't belong to that patient in order to justify authorization for the surgery.

37. PT The owners of the MRI company at San Fernando complained about a changed MRI report. When I discussed the complaints with Dr. Uwaydah, he told me that Susan Moreno receives a bonus for getting the authorizations for surgery and she would be blamed, not us.
38. PT Uwaydah subsequently purchased the MRI company from the complaining owner. Jeff Stevens was the straw purchaser of the MRI company on behalf of Dr. Uwaydah.
39. PT I knew and went along with modifying diagnoses of patients in order to maximize profits. We would maximize profits by getting the patients in the door, prescribing them as much pharmaceuticals as we could, and then move them towards surgery. The goal was to order and prescribe everything that we could possibly profit from.
40. PT Kelly Park got involved in all aspects of the business. She openly criticized me and the San Fernando office for not getting more surgeries approved. She referred to the San Fernando office as a "cancer" on the business for this failure. She succeeded in convincing Dr. Uwaydah to move the headquarters to Long Beach for that reason.
41. PT Based on my conversations with Uwaydah and Peter Nelson, it was Peter Nelson who was doing all of the shoulder and knee surgeries, not Uwaydah. Uwaydah told me that he would do the spinal surgeries, procedures near nerves, or procedures requiring surgical hardware.
42. PT At South Bay Surgical, it was known that while Uwaydah conducted numerous meetings there, Peter Nelson was doing the surgeries.
43. PT Peter Nelson conducted "surgeries" without Uwaydah's participation or presence in the operating room. Kelly Park, Tatiana Arnold, Letty Lemus, Marisa Nelson and Shelly Rosekelly knew that Peter Nelson was the one doing surgeries.
44. PT Firstline was formed to replace Frontline. Firstline received the patients and continued to operate in the same manner as Frontline. Dr. Uwaydah's name was taken off the company and Dr. Johnson's was put on it instead. Eventually, my name was removed from Firstline as well.
45. PT Uwaydah attempted to gain control over the Ventura County Business Bank to facilitate access to credit and the movement of funds.
46. PT To accomplish this, Uwaydah transferred funds to purportedly independent investors to be invested in the bank on his behalf. Fraudulent documents were prepared attesting to their funds, their independence and lack of connection to the other investors. Tatiana Arnold, Kelly Park, Ronnie Case, Jeff Stevens, Mark Ieole and participated in this process and were proxy investors for Uwaydah.
47. PT I participated as a purported investor also, and invested over a million dollars of my own money. I did this to assist Uwaydah in this fraudulent scheme, and only because Uwaydah promised to buy the shares back from me.

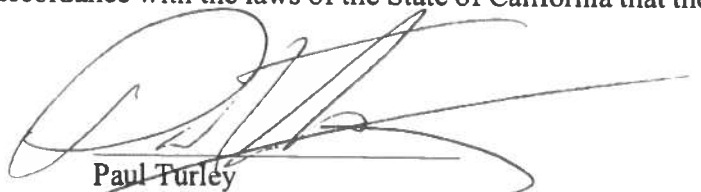
48. P1 Uwaydah fled the United States to Lebanon in June of 2010 after Kelly Park was arrested for the murder of Uwaydah's former girlfriend, Juliana Redding. He later told me that he believed that Kelly Park committed the murder but that he was not personally concerned. He told me that he was worried about the ongoing fraud investigation. In the Fall of 2010, I traveled to Lebanon to confer with Uwaydah and to discuss how we were going to keep the Frontline business operating without Uwaydah's presence, and without his name being connected to the business.
49. P1 After Uwaydah fled the country, he had all the servers moved to Estonia in order to prevent law enforcement from finding anything. Part of the organization is in Estonia where Wendee Luke runs the day to day operations.
50. P1 In 2011, after a search warrant was executed at my home, Uwaydah flew me out to Lebanon again. This time, he suggested that I travel to Macedonia to run a medical transcription service that he owns, but is not in his name. Previously, Kelly Park and Ronnie Case were assisting Uwaydah in running this business.
51. P1 Benjamin Gluck came to Macedonia to meet with me at Uwaydah's direction. to discuss his representation of both me and Frontline after the search warrant was executed on my home. We also went over capping lists and attorneys that were being paid off. I did not retain Gluck or his firm, these arrangements were all made by Uwaydah.
52. P1 In 2011, when I went to Lebanon, Uwaydah told me that we had close to a billion dollars in receivables from Frontline and Firstline.
53. P1 After Marisa Nelson left the organization, Tatiana Arnold took control of the books and handled the money and finances of the organization.
54. P1 Tatiana Arnold told me that she was sending millions of dollars overseas.
55. P1 Uwaydah purchased and controlled real estate properties and cars that were placed in my name, using my credit. This was done with my permission, but on some occasions, it was done without my knowledge or permission. My name was placed on the Somis property and on at least one car without my knowledge or consent.
56. P1 Uwaydah's name is on none of the companies he owns. To my knowledge, Dr. Uwaydah was a named owner of only Frontline and Southbay Surgical. His other businesses listed false owners or fictitious boards of directors. Even though these entities were not in his name and he was not listed as an owner, or board member, he nevertheless controlled all aspects of these entities, including any litigation these companies were/are involved in. This includes the lawsuits against Marisa Nelson, Peter Nelson, and Shelly Rose Kelly, filed by attorney Benjamin Gluck and others.
57. P1 Uwaydah used lawyers to set up companies, draft contracts, create fraudulent documents and file lawsuits that facilitated the fraudulent activities. Uwaydah was their client, giving them direction and paying their bills even though others, such as myself, were listed as owners or officers of the corporations.

58. PT All of the lawsuits were Uwaydah lawsuits. I was named in three or four lawsuits due to my association with Uwaydah and at no time did an attorney speak to me regarding these lawsuits, asking me what I wished to do. I never sought out or retained these lawyers. This was all arranged by Uwaydah and they received their direction from him.
59. PT Tatiana Arnold knew that Uwaydah was the true owner of the Beverly Grove property when she was supposedly representing me in a lawsuit involving that property.
60. PT Tatiana Arnold never actually represented me in any personal or private matter.
61. PT Attorneys Richard Green, Harry Nelson and Bo Thoreen did not represent me in an individual or personal capacity as was written in their signed declaration provided to Benjamin Gluck and filed in court for purposes of the evidentiary hearing. I did not seek them out and they took no direction from me. These legal representations were all of Dr. Uwaydah and his interests.
62. PT Dr. Uwaydah's control extends to the current criminal defense in this case. He has paid millions of dollars for the attorneys for the defendants, including myself. Dr. Uwaydah has informed me that during these criminal proceedings, until recently, he has spoken with my attorney Benjamin Gluck on a daily basis. He clearly has been given more information about my defense and strategy than I have been. Dr. Uwaydah has told me that he has been giving direction to Gluck on how to conduct my defense. Benjamin Gluck did not tell me that he was having these conversations with Dr. Uwaydah.
63. PT An attorney from Lebanon named Victor is paying almost all of the attorneys for the co-defendants on this case, on behalf of Uwaydah and with Uwaydah's money.
64. PT While I was in jail, Uwaydah often sent money to pay my bills. Hector Sandoval would deliver up to \$5,000.00 cash for my wife or kids.
65. PT Prior to the arrests in this case, Hector Sandavol was a helper to Uwaydah who ran errands and made deliveries. It has come to my attention that Dr. Uwaydah now has Hector Sandoval listed as the current CEO of Frontline.
66. PT When I was released from custody after 25 months, Benjamin Gluck told me not to communicate with Dr. Uwaydah. I followed his instructions until recently when Dr. Uwaydah quit paying Benjamin Gluck and his firm.
67. Currently, Uwaydah wants me to call him every day. He also currently speaks to Kelly Park, Ronnie Case, Shannon Moore and Letty Lemus.
68. PT Dr. Uwaydah told me that he would think ahead and do things in order to discredit anyone who could potentially become a witness against him, his co-conspirators, or his organization.

69. PT The reason and whole point Uwaydah sued Marisa Nelson was to discredit her as a witness against Uwaydah and his organization. Uwaydah even talked to me about securing certain concessions from Marisa Nelson or Shelly Rosekelly.
70. PT The Frontline lawsuit against Marisa and Peter Nelson alleging, among other things, that they used a company credit card to pay for things without Uwaydah's approval was fraudulent and untrue.
71. PT Uwaydah told me that Susan Moreno had given a proffered statement and that he paid for Susan Moreno's attorney. In January or February of 2015, when Maria and I went to Lebanon to discuss with Uwaydah the letter we received from the DA's Office regarding a grand jury, he had a copy of Susan Moreno's hard drive and had us look through thousands of her emails to find anything that could incriminate her. We went through her emails with the specific intent to find things that would discredit her. Uwaydah and I had already discussed how Susan would be discredited as a witness.
72. PT Before I received the grand jury letter from the DA's Office, Uwaydah told me that Benjamin Gluck told him that Susan Moreno testified about surgeries in the grand jury. Uwaydah also told me that Gluck told him that Shelly Rosekelly also testified at the grand jury.
73. PT Uwaydah told me that Kelly Park, Ronnie Case, and Jeff Stevens got the same DA's Office's grand jury letter that I had received.
74. PT Benjamin Gluck claimed to represent me when the bank accounts were frozen and the storage container was seized, but this was not really true. I did not hire him. I had hired my own attorney because my personal bank account was frozen. I believe that Uwaydah made arrangements for Gluck to handle those issues for his secretly controlled companies which included Frontline/Firstline.
75. PT I was not aware of the storage unit, otherwise known as "Location 13," or its contents. I was never asked about my connection, if any, to the documents stored in Location 13 by anyone, including my attorney Benjamin Gluck.

I declare under penalty of perjury in accordance with the laws of the State of California that the aforementioned is true.

Dated: 12/3/18



Paul Turley

Louis Sepe, Counsel for Paul Turley

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

JUL 22 2020
S. AYAD

SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

THE PEOPLE OF THE STATE OF
CALIFORNIA,

Plaintiff,

v.

SHANNON DEVANE, *et al.*,

Defendants.

Case No. RIF1990022

**SUPPLEMENTAL PLEA FORM AND
FACTUAL BASIS OF SHANNON
DEVANE**

As a part of my plea bargain with the People in the above-entitled matter, I, SHANNON
DEVANE, hereby declare that:

Initials

Factual Statements

SD

1) The following entities are owned or controlled by Munir Uwaydah, and are
all in fact part of the same criminal organization (hereinafter "the
Organization"):

1. Blue Oak Medical Group, A Medical Corporation
 - a. EAMS No.: 11282448
 - b. UAN: Blue Oak Medical Los Angeles
2. Blue Oak Asset Management, Inc.
3. La Jolla Orthopedic & Pain Management Center, Inc. (billed by La Jolla, Inc.)
 - a. EAMS No.: 12827402
4. U.S Health & Orthopedics dba Firstline Health, Inc.
 - a. EAMS No.: 8902005
 - b. UAN: Firstline Health Los Angeles
5. Firstline Health dba U.S. Health and Orthopedics
6. Frontline Medical Associates, Inc.
 - a. EAMS No.: 8842224
 - b. UAN: Frontline Medical Assoc Los Angeles
7. Accounts Receivable Acquisitions, LLC
 - a. EAMS No.: 8919945
 - b. UAN: Accounts Receivable Acq Los Angeles
8. Accounts Receivable Limited, Inc. (aka Accounts Receivable LTD)

1
SUPPLEMENTAL PLEA FORM – FACTUAL BASIS OF SHANNON DEVANE

9. Controlled Health Management, Inc.
 - a. EAMS No.: 9012738
 - b. UAN: Controlled Health Mgmt Los Angeles
10. California Clinics, Inc.
11. Medical Software & Management, Inc.
12. Parkside Solutions, LLC
13. Walnut Capital, LLC
14. Orthopedic Devices, LLC
15. Medical Technology & Management, LLC
16. Ventura Collection & Management, LLC
17. MedConsult SAL
18. Medical Outsourcing AKA MEDIKAL AUTSORSING DOOEL Skopje.
19. I-Capital US, Inc.
20. Zunica Medical Group
21. Cal Redwood Collections, LLC
22. Notre Dame Properties, LTD
23. 5007 Holdings LLC
24. Vanguard Support Services, LTD

- 2) Beginning no later than September 1, 2015 and at least until September 1, 2018, Blue Oak Medical Group operated numerous clinics in Southern California including Riverside County.
- 3) The Organization was operated by Munir Uwaydah, through myself, Matthew Rifat, and Janek Hunt.
- 4) The Organization existed for one purpose: to commit workers' compensation insurance fraud.
- 5) I ran day-to-day operations for Blue Oak Medical Group beginning no later than September 1, 2015 and at least until September 1, 2018
- 6) Beginning not earlier than August 2017, I became aware that the Organization had submitted fraudulent bills to insurance companies, specifically for medications manufactured by Fusion Pharmaceuticals, LLC, California Pharmaceuticals, LLC, and Talca Pharmaceuticals, Inc. (the Pharmacies). Munir Uwaydah controlled the Pharmacies behind the scenes.
- 7) The Organization was set up to prevent medical providers from seeing the actual bills and reports that were sent to insurance companies.

SD

8) For example, not earlier than August 2017, I became aware that Fanatrex billing was fraudulent because the Organization continued to submit bills including Fanatrex after the Pharmacies ran out of ingredients to make it.

SD

9) Janek Hunt managed Medical Technology Management (MTM), an Estonian company. MTM is another component of the Organization.

SD

10) Jackie Riddle does not exist; it is an AKA of Wendee Luke.

SD

11) Amber Woodley, who reported directly to Munir Uwaydah, managed Controlled Health Management Inc. (CHM). CHM handled document intake and some cashflow for the Organization. Amber Woodley also managed Uwaydah's personal properties, handled Blue Oak Medical Group payroll, and ordered supplies for the Organization.

SD

12) On one occasion I forged Dr. Robin Chorn's signature on a medication order form.

DATED: 6/23/20



SHANNON DEVANE
Defendant



ANTHONY COLOMBO
Attorney for Shannon Devane

CONFORMED COPY
ORIGINAL FILED
Superior Court of California
County of Los Angeles

JUN 10 2021

By Wendy Warren Deputy
Wendy Warren

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

THE PEOPLE OF THE STATE OF
CALIFORNIA,

Plaintiff,

vs.

MARIA TURLEY,

Defendant.









Case No. BA455469

**FACTUAL BASIS PLEA STATEMENT OF
DEFENDANT MARIA TURLEY**


As a part of my plea bargain with the People in the above-entitled matter, I, Maria Turley, hereby declare the following to supplement the factual basis established in the grand jury transcripts and investigative reports:


1. mt After consulting with my attorney, Vicki Podberesky, I knowingly, expressly and willingly waive any Attorney-Client Privilege to any documents and evidence seized during search warrants executed on my home at 12009 Wood Ranch Road, Granada Hills CA, on or about May 25, 2011 and on or about September 13, 2015.
2. mt I am married to Paul Turley. I was a primary school teacher until 2002 when I became a fulltime mother focused on taking care of my youngest child, Timothy, who was diagnosed with autism. In or around November 2004, my husband and Dr. Uwaydah started working together. In late 2004, I started working part time for them. I organized the closing of Millenium and assisted in its merger into a new business entity, Frontline Medical Associates. I took direction from Lupe LNU and Lettie Lemus, who is a defendant in this case. I worked at Frontline until June 2010, when Kelly Park was arrested for the murder of Juliana Redding.
3. mt When I began working at Frontline I did not have a title. I helped to coordinate the office paperwork and to make sure that all offices worked in the same manner. My understanding was that the chain of command was Dr. Uwaydah to Paul and then Paul gave me direction. In or about 2009, I was given the title of Director of Surgery even though I didn't have any training in this field. Frontline Medical Associates was controlled by Dr. Uwaydah and Paul did not have any independent authority to make decisions. My duties as Director of Surgery included managing and coordinating the offices, reviewing all AME reports and overseeing the surgical referrals which were part of the approval process by the insurance companies..

- 1 4. MA I worked there for many years and represented myself as an employee but I never
2 received a paycheck from Frontline Medical Associates or any of Dr. Uwaydah's other
3 entities.
- 4 5. MA At Frontline, prescription medications were handled by Leticia Lemus. An extremely
5 large volume of these medications were returned by the post office and the medications
6 were placed in a black bin in the office or given to Leticia Lemus, Kelly Park or Edgar
7 Baltazar.
- 8 6. MA Frontline spine surgeries were done at Mission Community Hospital in San Fernando
9 while all other surgeries were done at South Bay Surgical and Spine in Long Beach, a
10 company that was owned and controlled by Dr. Uwaydah. Peter Nelson was his
11 Physician's Assistant and assisted Dr. Uwaydah with surgeries. However, I heard other
12 employees saying that Peter Nelson also performed surgeries without Dr. Uwaydah
13 being present in the O.R.
- 14 7. MA On November 26, 2004, I opened a joint bank account with Dr. Uwaydah and Paul
15 Turley at First Federal Bank, listing all three of us as owners and signers on this
16 account.
- 17 8. MA At the direction of Dr. Uwaydah, I sent two outgoing wires to Germany: on June 23,
18 2006, I sent an outgoing wire (from my personal First Financial Credit Union checking
19 account with Paul Turley ending in 6559-08) to Holger Blank for \$1,222.00, and on
20 December 28, 2006, I sent an outgoing wire (from my personal First Financial Credit
21 Union account ending in 6559-50) to Varster Pferdezzucht GMBH for \$120,000.00 for a
22 horse purchased for Dr. Uwaydah. Neither Paul or I had an interest in the horse. This
23 was a purchase solely for Dr. Uwaydah, using Dr. Uwaydah's money.
- 24 9. MA Dr. Uwaydah did not want to put his name on anything. At Dr. Uwaydah's direction,
25 and using Dr. Uwaydah's money, Paul Turley purchased numerous properties under his
26 name. Dr. Uwaydah ultimately used and controlled these properties for his own
27 benefit. These properties included; 1) 1316 Beverly Grove Place, Beverly Hills CA
28 90210; 2) 5007 Ocean Front Walk 1-3, Marina del Rey, CA 90292; 3) 5509 Ocean
Front Walk, Marina del Rey, CA 90292; and 4) 34 Galleon Street, Marina del Rey, CA
90292. Between June 24, 2008 to November 2009, I received monthly checks from
Frontline's Citibank Account x-2823 and from LA Health Partners Medical Group's
First Federal Bank of California Account No. x-1697, in amounts between \$28,287.00
to \$34,697.00, signed by Marisa Schermbeck Nelson or Paul Turley, for the purpose of
paying the monthly mortgages on these properties.
10. MA On September 16, 2009, I sent an email to Susan Moreno, regarding a patient named
Carlos Ledesma. At Paul's direction, I asked Susan to edit and to change the rebuttal
medical report of the patient's examination by changing the range of motions and the
discussion to make it look like we were sending the insurance company a new report. It
was common practice for Paul to request changes to the reports. After the reports were
edited, I sent the edited reports to the surgical person in San Fernando. My
understanding is that these edited reports were then sent out to insurance companies, in
order to get authorization.

11.  Jeff Stevens was a capper who worked with a lot of applicant attorneys who sent their clients to Frontline. However, these attorneys stopped sending their clients to Frontline after Kelly Park was arrested. Jeff Stevens also had real estate dealings with Dr. Uwaydah.
12.  Tatiana Arnold was one of Dr. Uwaydah's personal attorneys. She allowed Frontline's Utilization Review, payroll, and legal departments to run out of her main law office.
13.  At Dr. Uwaydah's direction, Paul Turley and I became investors in Ventura County Business Bank. However, a portion of the funds that we invested belonged to Dr. Uwaydah. We put in \$1.2 million with the majority of it being Dr. Uwaydah's money. A portion of it was our own money. On February 5, 2010, Marisa Schermbeck Nelson transferred \$400,000.00 from an Accounts Receivable LTD account to my personal joint account #1226559-16 at First Financial Credit Union. On February 16, 2010, I wired \$200,000.00 to Pacific Bank for this investment under Paul Turley's name from that same personal joint account.
14.  After Kelly Park's arrest for the murder of Juliana Redding on June 17, 2010, Paul told me that a number of Dr. Uwaydah's assets were moved under the names of Wendee Luke and her family members, including her father Terry Luke. I believed it to be true. Consequently, I conveyed this to Gordon Oard.
15.  After Dr. Uwaydah fled the country in June 2010, he continued to operate Firstline Health Inc. through Wendee Luke and Tatiana Arnold.
16.  Terry Luke set up the Firstline Heath bank accounts at Banco Popular.
17.  Between January 1, 2014 to February 28, 2015, I traveled 2-3 times to Beirut, Lebanon to meet with Dr. Uwaydah. On February 5, 2015, at Dr. Uwaydah's direction, I signed three quitclaim deeds for the following properties: 1) 1316 Beverly Grove Place, Beverly Hills, CA 90210 to Notre Dame Properties Ltd. where Paul Turley was Agent for Service of Process; 2) 34 Galleon Street, Marina del Rey, CA 90292 to Wicklow Holdings, Inc., where Paul Turley was the President, Secretary, Treasurer and Director; and 3) 5509 Ocean Front Walk, Marina del Rey, CA 90292 to Connemara Holdings Inc., where Paul Turley was the President, Secretary, Treasurer and Director. Dr. Uwaydah was the true owner of Notre Dame Properties, Wicklow Holdings, and Connemara Holdings, and he solely controlled them.
18.  On November 2, 2011, in an interview with Berkshire Hathaway Insurance Company, I disclosed my knowledge of the following Dr. Uwaydah entities and Dr. Uwaydah associates:
 - a. ADG Marketing (oversaw Frontline medical treatment by several applicant attorneys);

- b. Empyrean Management (used by Frontline as a payroll company);
- c. GR Medical Management (handled Frontline's billing and collections);
- d. Shannon Moore (Dr. Uwaydah's assistant at Sentinel, Frontline & South Bay Surgical and Spine.);
- e. Tom Mayer (Dr. Uwaydah's CPA);
- f. Holger Blank (Dr. Uwaydah's business partner in Europe-in real estate and horses);
- g. Henry Fenton (Dr. Uwaydah's past attorney but they had a falling out after Kelly's arrest);
- h. Benjamin Gluck (Dr. Uwaydah's current attorney for the entities and individuals);
- i. Sonya Rodriguez (scheduled surgeries for Frontline, Firstline & for Dr. Uwaydah);
- j. Susan Moreno (wrote reports for Frontline & Dr. Uwaydah);
- k. Tom Colivas (Frontline PA);
- l. Esther Ros (Frontline office manager, patient intake coordinator, Utilization Review manager & assistant to Paul Turley);
- m. Dennis Fusi (Attorney who referred patients);
- n. Robert Slater (Attorney who referred patients);
- o. Barry Appel (Attorney who referred patients);
- p. Sean O'Keefe (Attorney who referred patients);
- q. David Berns (Attorney who referred patients);
- r. David Lamonica (Attorney who referred patients);
- s. Goldflam & Barth (Attorneys who referred patients)

19.  Between June 8, 2005 to June 13, 2005, I wired Escrow LA, Inc. a total of \$144,967.66 from my personal joint First Financial Credit Union Account 1226559-08. The purpose of these wires was to pay the mortgage for the properties Paul bought and put in his name at Dr. Uwaydah's direction but were actually owned and controlled by Dr. Uwaydah: 1) 1316 Beverly Grove; 2) 5007 Ocean Front Walk; 3) 5509 Ocean Front Walk and 4) 34 Galleon Street. The funds that I wired from this personal joint account were reimbursed to me from Dr. Uwaydah entity funds.

20.  Between February 7, 2006 to May 17, 2006 and on July 9, 2007, I wired Beverly Hills Escrow and Beverly Hills Escrow Trust a total of \$1,152,898.92, from my personal joint account First Financial Credit Union Accounts 1226559-08 and 1226559-50. The purpose of these wires was to pay the mortgage for the properties Paul bought and put in his name at Dr. Uwaydah's direction but were actually owned and controlled by Dr. Uwaydah: 1) 1316 Beverly Grove; 2) 5007 Ocean Front Walk; 3) 5509 Ocean Front Walk and 4) 34 Galleon Street. The funds that I wired from this personal joint account were reimbursed to me from Dr. Uwaydah entity funds.

DATED: 6/10/2021


Maria Turley
Defendant


Vicki Podberesky
Attorney for Defendant Maria Turley

7.25-17

I.
FACTUAL STATEMENT

1. _____ Beginning in May 2017, without any promises of leniency or other consideration, I made proffer statements with the Los Angeles County District Attorney's Office over the course of several days.
2. _____ All statements made during these proffer sessions were made in the presence of my attorney, Amy Jacks.
3. _____ All statements made during these proffer sessions were truthful and based upon my personal knowledge which was acquired over many years through my personal participation, my personal observations, and my interaction with co-conspirators.
4. _____ During these sessions I have continued to refresh my recollection of events by reviewing documents and correspondence in my possession. I have also provided corroborating documentation to the Los Angeles County District Attorney's Office.
5. _____ I worked directly with Munir Uwaydah, MD as a personal assistant from 2000 through June 2010.
6. _____ Uwaydah owned and controlled many companies and properties even though other individuals were listed as the owners. This was all done intentionally so that Uwaydah could hide his ownership and his control from creditors, insurance investigators and the government agencies. He exercised absolute control over all over all of these entities.
7. _____ Uwaydah purchased and controlled real estate property that was placed in Paul Turley's name, using Paul Turley's credit.
8. _____ Uwaydah used lawyers to set up companies, draft contracts and file lawsuits that facilitated the fraudulent activities. Uwaydah was their client, giving them direction and paying their bills even though others were listed as owners or officers of the corporations.
9. _____ Uwaydah controlled purported owners, co-conspirators and others by various means including, but not limited to, manipulation, loyalty, financial incentives, fraudulent "promissory notes," litigation, and threats.
10. _____ Between 2003 and 2010, Uwaydah directed me to put my name as owner, officer, or manager of various corporations, or limited liability companies, even though he was the true owner and controlled these entities. Uwaydah solely controlled the

operation of these entities, including the flow of money in and out of these entities' bank accounts. These entities include, but are not limited to, Golden State Pharmaceuticals (GSP), Springboard, Orthopedic Devices, Gestuet Eichenhain, Accounts Receivable LTD, and Marisa Schermbeck dba Schermbeck Management.

11. _____ In addition to putting my name as owner of companies that actually belonged to Uwaydah, at his direction I allowed myself to be designated as the owner or authorized signer on dozens of bank accounts associated with various Uwaydah entities, including those already mentioned. Until June 2010, I moved money in and out of these various accounts at the direction of Uwaydah and no one else.
12. _____ Uwaydah exercised absolute control over the income from these various entities. Uwaydah used the income as his own. His personal expenses as well as expenses for Frontline or other entities were paid from whatever account had funds in it at the time without regard to which accounts belonged to which companies or which companies' bills were being paid. Uwaydah directed that funds be transferred between these entities and their bank accounts without any distinction of separate assets. However, when it came to funds from Golden State Pharmaceuticals, money was first moved into Schermbeck management before it was moved to Frontline because Uwaydah did not want to reveal his direct ownership of the pharmacy.
13. _____ Although Frontline Medical Associates was incorporated in November 2004 listing Munir Uwaydah as a 51 percent owner, and Paul Turley as a 49 percent owner, based on my observations and experience with the company, and the movement of funds in which I participated, Uwaydah actually owned 100 percent of the company. To my knowledge Paul Turley never received any distribution of shares in the income of the company. Turley was paid a salary like any other employee. On occasion, he had to plead that Uwaydah allow him to receive his salary.
14. _____ Although Paul Turley managed the daily operations of the San Fernando medical clinic, he had no actual authority over Frontline and had to ask Uwaydah for permission to do anything related to the company, including receive money to pay cappers. His value to Uwaydah was that he had connections to lawyers that would refer clients for a fee.
15. _____ Uwaydah and Paul Turley paid various lawyers for illegal referrals to Frontline. Defendant Jeff Stevens, among others, was a "capper" who was paid to bring in patients from various law firms. I participated in making such payments. Defendants Maria Turley, Tatiana Arnold, Kelly Park and Wendee Luke knew and/or facilitated this illegal scheme which was referred to as "marketing."

16. _____ There was a fee hierarchy for these referrals with greater fees paid for surgical candidates.
17. _____ Uwaydah exerted pressure to maximize billings for each patient and to obtain surgical authorizations from insurers. Uwaydah would ensure employee compliance through various means communicated through managers such as myself, Paul Turley and Maria Turley.
18. _____ An emphasis was put on surgical authorizations. Approximately 90 % of the capped potential surgical patients were placed on a surgical track and were authorized.
19. _____ At South Bay Surgical and Spine Institute Peter Nelson and the rest of the staff would typically wait until Uwaydah pulled into the parking lot, then the "surgeries" would begin. Peter Nelson was always the person in the operating room. I personally witnessed Uwaydah being out of the operating room for hours at a time while Peter Nelson performed "surgeries."
20. _____ At Mission Hospital, and other area hospitals, Uwaydah frequently conducted business and met with myself and other defendants while Peter Nelson continued "surgeries" without Uwaydah's participation or presence in the operating room.
21. _____ It was common knowledge that Peter Nelson's activity in the operating room was the basis of a controversy with the medical board over the practice. This practice of surgery was considered to be happening without Uwaydah's personal presence and Uwaydah circulated an opinion letter to support his claim that the practice was allowed.
22. _____ I assisted in preparing operative reports for Uwaydah at his direction. He personally wrote the report and I inserted the codes. Those reports always claimed that he performed the surgeries.
23. _____ It was well known within the organization that, my husband, Peter Nelson was in the operating room for hours by himself without Dr. Uwaydah physically being in the room. He spent long hours operating on up to 10 patients a day. Staff would joke that he should become a doctor and receive more pay.
24. _____ Billings were routinely submitted to insurance companies reflecting that Uwaydah performed the surgery, and that a physician's assistant was utilized as well. Peter Nelson received a salary for his work but he was also promised a portion of the payments from the insurers for a physician's assistant when the bills were paid. These were referred to as receivables.

25. _____ All of Uwaydah's inner circle, including all the charged defendants and others, knew that Uwaydah was the true owner of Golden State Pharmaceuticals. Uwaydah articulated that he wanted maximum pharmaceutical billing for each patient, in spite of their particular medical needs or concerns. Uwaydah created a list of prescription medications and insisted that each patient seen at Frontline be prescribed all medications on the list or at least a certain dollar amount. If the treating doctor failed to prescribe all of the listed medications, another employee would do so. Letty Lemus and others participated in this behavior. Lemus and others would often sign Dr. Johnson's name on prescription sheets. The billing reflected that each patient was essentially prescribed the same medications.
26. _____ Prescriptions would often be returned to the clinic or pharmacy, and these medications would be relabeled with different patient names and the insurance company would be re-billed for the same medication. Discrepancies between the amount of pharmaceuticals purchased by GSP, and the amount billed occurred. At Uwaydah's instruction, I and others adjusted the numbers so that regulating agencies would not become aware of the discrepancy. Paul Turley, Maria Turley, Kelly Park, Tatiana Arnold, Letty Lemus, Jeff Stevens, Wendee Luke and others participated in the various fraudulent practices related to pharmaceuticals.
27. _____ Pharmaceutical billing became a lucrative part of the overall scheme. However, Uwaydah directed that Turley not be informed of how much it was making because he believed that Turley would want a larger salary.
28. _____ Other documents were forged to further facilitate the frauds. They were commonly sent to defendant Kelly Park to accomplish this task. The forgeries were referred to as "moorparking." These documents included forged patient arbitration agreements.
29. _____ Uwaydah attempted to gain control over the Ventura County Business Bank to facilitate access to credit and the movement of funds.
30. _____ To accomplish this, Uwaydah transferred funds to purportedly independent investors to be invested in the bank on his behalf. Fraudulent documents were prepared attesting to their funds, their independence and lack of connection to the other investors. Tatiana Arnold participated in this process and was a proxy investor for Uwaydah herself.
31. _____ Kelly Park and Ronnie case were arrested for the murder of Juliana Redding and Uwaydah fled the country. I was left with my name on various companies and bank accounts. I was aware of the implications as to my culpability in the frauds. During this time, I attempted to distance myself from the organization and to be

indemnified by Uwaydah for any claims against companies in my name. Shelly Rosekelly and I employed criminal defense attorney Robert Bernstein.

32. _____ I subsequently proffered statements to the District Attorney's office and investigators.
33. _____ Attorneys representing Uwaydah attempted to return control of the entities and bank accounts under my name to Uwaydah's control by filing fraudulent successive lawsuits under the names of different companies, each of which were actually owned and controlled by Uwaydah.
34. _____ During this time, I was contacted through my attorney by attorney Benjamin Gluck, who was representing Uwaydah. He attempted to obtain a declaration that the property seized by the police was actually the property of Frontline Medical so he could challenge the seizure of the computers and the storage locker by the authorities.
35. _____ Attorney Benjamin Gluck also attempted to negotiate the return of control of the entities and bank accounts under my name to Uwaydah's control. These negotiations ultimately never concluded because I was advised that the return of these assets would further facilitate the frauds perpetrated by Uwaydah.
36. _____ I was then sued again by Uwaydah's lawyers, including Benjamin Gluck.
37. _____ I ultimately filed for bankruptcy. I was convinced by Benjamin Gluck to sue my former criminal defense attorney for malpractice for advising me not to transfer the items back to Uwaydah's control as part of a settlement with Uwaydah. The proceeds of that suit were to go to any debt owed to Uwaydah. He also persuaded me to waive my attorney client privilege with my criminal defense attorney and my civil attorney to facilitate that suit.
38. _____ During the bankruptcy action Benjamin Gluck and other attorney's representing Uwaydah's interests facilitated the return of the entities to Uwaydah's control through the bankruptcy trustee.
39. _____ As part of that settlement, they also secured Peter Nelson's agreement to cooperate in the defense of any action against Uwaydah brought by the medical board.
40. _____ During that same period, Attorney Benjamin Gluck asked me to sign a declaration that the storage locker that was rented for Uwaydah was actually rented on behalf of Frontline and related entities and that the material there belonged to the entities as well. This was not true and I corrected the declaration to reflect the fact that it

was actually rented on behalf of Uwaydah and that all the material there was his. Attorney Benjamin Gluck then argued, in an email exchange that my edits “needlessly and inaccurately confuse things.”

1 RETURN DATE: 7/27/18

2 DEPARTMENT 106

3
4
5
6
7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 FOR THE COUNTY OF LOS ANGELES

10 DEPARTMENT NO. 106

HON. LARRY PAUL FIDLER, JUDGE

11
12 THE PEOPLE OF THE STATE OF CALIFORNIA,)

13 PLAINTIFF,)

14 VS.)

NO. BA455469-04

15 MARISSA SCHERMBECK NELSON,)

16 T/N MARISA SCHERMBECK NELSON,)

17 DEFENDANT.)
_____)

18
19 LOS ANGELES, CALIFORNIA; WEDNESDAY, JULY 26, 2017

20 10:51 A.M.

21
22 UPON THE ABOVE DATE, THE DEFENDANT BEING PRESENT IN
23 COURT AND REPRESENTED BY COUNSEL, AMY JACKS, ATTORNEY
24 AT LAW; THE PEOPLE BEING REPRESENTED BY DAYAN MATHAI
25 AND KENNES MA, DEPUTY DISTRICT ATTORNEYS OF LOS ANGELES
26 COUNTY, THE FOLLOWING PROCEEDINGS WERE HELD:

27 (DIANNA K. CRITTENDEN, C.S.R. NO. 8998,

28 OFFICIAL REPORTER.)

1 THE COURT: THE DEFENDANT, MARISA NELSON, IS PRESENT
2 WITH HER COUNSEL. THE DISTRICT ATTORNEY IS PRESENT.

3 MY CLERK HAS INFORMED ME THAT YOU INTEND TO TAKE A
4 PLEA FROM THIS DEFENDANT, WHICH IS FINE, AND YOU HAVE AN
5 AGREEMENT BETWEEN THE PEOPLE AND THE DEFENDANT AND ALSO
6 APPARENTLY A FACTUAL STATEMENT THAT'S GOING TO BE TAKEN THAT
7 YOU DON'T WANT TO BE KNOWN TO BE PUBLIC. WHAT'S THE BASIS
8 FOR THAT?

9 MR. MATHAI: NO, THE FACTUAL STATEMENT WILL BE TAKEN,
10 AND IT WILL BE ON THE RECORD. WE'RE JUST NOT -- NOT FILING
11 A DOCUMENT THAT HAS THE FACTUAL STATEMENT ON PAPER. WE'RE
12 JUST -- IT WILL BE PART OF THE RECORD ON THE TRANSCRIPT, BUT
13 THERE IS NO -- THE ACTUAL FACTUAL STATEMENT WILL NOT BE
14 FILED WITH THE COURT.

15 THE COURT: SO I ASSUME THAT THE FACTUAL STATEMENT IS
16 GOING TO BE DISCOVERABLE.

17 MR. MATHAI: IT WILL BE INsofar AS IT'S IN THE
18 TRANSCRIPT.

19 THE COURT: I ASSUME YOU ARE GOING TO TELL THE DEFENSE
20 ABOUT IT, ARE YOU NOT?

21 MR. MATHAI: THE DEFENSE WILL KNOW ABOUT IT, I'M SURE.
22 WE HAVE A COURT APPEARANCE ON THE 4TH, AND MS. NELSON WILL
23 NOT BE THERE ON THAT DAY AFTER TODAY'S PLEA, AND I THINK
24 BASED ON THE DYNAMICS OF THE CASE, I THINK IF THEY DON'T
25 KNOW ALREADY, THEY WILL KNOW.

26 THE COURT: WELL, I THINK YOU HAVE AN OBLIGATION TO TURN
27 IT OVER.

28 MR. MATHAI: OF COURSE, YOUR HONOR. THAT, THAT I

1 THOUGHT MAYBE YOU MEANT, LIKE, RIGHT AWAY.

2 THE COURT: NO.

3 MR. MATHAI: THIS WILL BE PUBLIC AND IT WILL BE
4 DISCOVERED. THE TRANSCRIPT WILL BE A PUBLIC DOCUMENT. THE
5 PROFFER SESSIONS WHICH MS. NELSON HAS ENGAGED WITH IN THE
6 RECENT WEEKS WITH US WILL BE DISCOVERED, AND THE DEFENSE
7 WILL KNOW.

8 I'M SORRY, I MISUNDERSTOOD THE COURT'S QUESTION. I
9 THOUGHT YOU MEANT, LIKE, WILL I BE GOING OUT TODAY AND
10 CALLING THEM AND TELLING THEM ABOUT TODAY. NO.

11 THE COURT: NO. NO. IT DOESN'T HAVE TO BE TODAY.

12 MR. MATHAI: NO, THEY WILL KNOW, OF COURSE. EVERYTHING
13 WILL BE DISCOVERED ON THE BASIS OF -- I MEAN, THE PROFFER
14 SESSIONS WILL ALL BE DISCOVERED.

15 THE COURT: SO YOU WANT TO FILE THE AGREEMENT THEN?

16 MR. MATHAI: YES, I DO. AND IT'S OUR INTENTION THAT
17 THIS PLEA BE UNDER OATH, AND I CAN EXPLAIN, I CAN GO THROUGH
18 IT WITH THE DEFENDANT IF THE COURT WISHES.

19 THE COURT: ALL RIGHT. DO YOU WANT THE DEFENDANT PLACED
20 UNDER OATH THEN?

21 MR. MATHAI: YES, PLEASE.

22 THE CLERK: PLEASE RAISE YOUR RIGHT HAND.

23 YOU DO SOLEMNLY SWEAR THAT THE TESTIMONY YOU MAY
24 GIVE IN THE CAUSE NOW PENDING BEFORE THIS COURT SHALL BE THE
25 TRUTH, THE WHOLE TRUTH, AND NOTHING BUT THE TRUTH SO HELP
26 YOU GOD.

27 THE DEFENDANT: YES.

28 THE COURT: THANK YOU.

1 THE CLERK: PLEASE STATE AND SPELL YOUR FIRST AND LAST
2 NAME FOR THE RECORD.

3 THE DEFENDANT: MARISA A. NELSON. M-A-R-I-S-A,
4 N-E-L-S-O-N.

5 THE COURT: ALL RIGHT. THANK YOU.

6 YOU MAY PROCEED.

7 MR. MATHAI: THANK YOU.

8 GOOD MORNING, MS. NELSON. GOOD MORNING.

9 THE DEFENDANT: GOOD MORNING.

10 MR. MATHAI: OKAY. YOU HEARD THE BRIEF COMMENTS BETWEEN
11 THE COURT AND I THIS MORNING, AND YOU UNDERSTAND THAT YOU'RE
12 HERE -- IT'S OUR UNDERSTANDING THAT YOU'RE HERE THIS MORNING
13 TO ENTER A PLEA THAT I WOULD WANT TO GO OVER WITH YOU AND
14 MAKE SURE THAT WE ALL UNDERSTAND WHAT IT IS YOU WANT TO DO
15 TODAY.

16 I UNDERSTAND THAT YOU WISH TO CHANGE YOUR PLEA THIS
17 MORNING AND ENTER A PLEA OF GUILTY TO COUNT 1 OF THE
18 COMPLAINT, WHICH IS CASE NUMBER BA455469, AND ENTER A PLEA
19 OF GUILTY TO THAT CHARGE AND ADMIT THE SPECIAL ALLEGATION
20 UNDER PENAL CODE SECTION 12022.6, SUBDIVISION (A)(4), AND
21 THE TERM FOR A MAXIMUM TERM OF FIVE YEARS ON THE CONSPIRACY,
22 WHICH IS THE MAXIMUM, AND FOUR YEARS ON THE SPECIAL
23 ENHANCEMENTS FOR A TOTAL OF NINE YEARS THAT YOU WILL BE
24 PLEADING TO TODAY, AND THAT YOU WILL NOT BE SENTENCED --

25 IN AN AGREEMENT WITH THE PEOPLE, YOU'VE AGREED TO
26 PLEAD TO THAT COUNT AND THAT SPECIAL ENHANCEMENT, AND THE
27 AGREEMENT WITH THE PEOPLE IS THAT UPON YOUR PLEA, THE
28 SENTENCING WILL BE PUT OVER FOR A PERIOD OF TIME, AND THAT

1 YOU WILL COOPERATE FULLY AND TRUTHFULLY WITH THE PROSECUTION
2 IN THIS CASE AS A WITNESS IN ANY HEARINGS AND TRIALS AND ALL
3 MATTERS THAT YOU'RE CALLED UPON IN THE PROSECUTION OF THE
4 REMAINING DEFENDANTS IN YOUR CASE AND THE OTHER TWO CASES,
5 AND ALSO ANY OTHER DEFENDANTS THAT ARE COCONSPIRATORS THAT
6 MAY BE PROSECUTED THAT ARE RELATED TO YOUR CASE.

7 IS THAT YOUR UNDERSTANDING OF OUR AGREEMENT?

8 THE DEFENDANT: YES.

9 MR. MATHAI: AND WE HAVE FILED TODAY A DOCUMENT ENTITLED
10 "AGREEMENT BETWEEN THE PEOPLE OF THE STATE OF CALIFORNIA AND
11 MARISA NELSON." IT'S A 12-PAGE DOCUMENT. HAVE YOU -- AND
12 THIS DOCUMENT WAS FILED BY US, BUT IT WAS CREATED IN WORKING
13 TOGETHER WITH YOUR ATTORNEY.

14 IS THAT YOUR UNDERSTANDING?

15 THE DEFENDANT: YES.

16 MR. MATHAI: AND THIS DOCUMENT, HAVE YOU HAD A CHANCE TO
17 GO OVER THIS DOCUMENT, THE "AGREEMENT BETWEEN THE PEOPLE OF
18 THE STATE OF CALIFORNIA AND MARISA NELSON," HAVE YOU GONE
19 OVER THIS DOCUMENT WITH YOUR ATTORNEY PRIOR TO COMING INTO
20 COURT THIS MORNING?

21 THE DEFENDANT: YES.

22 MR. MATHAI: AND I NOTICE THAT ON THIS 12-PAGE DOCUMENT
23 THERE'S SEVERAL -- STARTING ON PAGE 3, THERE ARE PARAGRAPHS,
24 NUMBERED PARAGRAPHS THAT EXPLAIN VARIOUS ASPECTS OF YOUR
25 PLEA TODAY, INCLUDING OBLIGATIONS, YOUR OBLIGATIONS, THE
26 PEOPLE'S OBLIGATIONS, NATURE OF THE OFFENSE, WAIVER OF
27 CONSTITUTIONAL RIGHTS, AND CONSEQUENCES OF THE CONVICTION,
28 WAIVER OF APPEAL OF CONVICTION, EFFECTIVE DATE OF AGREEMENT,

1 AND NO ADDITIONAL AGREEMENTS AND THE PLEA PORTIONS. THESE
2 ARE NUMBERED PARAGRAPHS.

3 AND DID YOU GO OVER EACH OF THESE NUMBERED
4 PARAGRAPHS ON THESE PAGES AND PLACE YOUR INITIALS NEXT TO
5 EACH PARAGRAPH ON THIS DOCUMENT?

6 THE DEFENDANT: YES.

7 MR. MATHAI: AND DID YOU DO SO BECAUSE -- TO INDICATE TO
8 THIS COURT THAT YOU HAD READ EACH OF THOSE PARAGRAPHS,
9 INCLUDING YOUR OBLIGATIONS AND THE CONSEQUENCES OF YOUR PLEA
10 TODAY, AND THAT YOU HAVE READ THOSE AND THAT YOU UNDERSTAND
11 THOSE PARAGRAPHS AND THAT YOU ARE IN AGREEMENT WITH WHAT IS
12 SAID IN THOSE PARAGRAPHS IN THAT YOU WISH TO INITIAL THOSE
13 TELLING THE COURT THAT YOU WISH TO GO FORWARD WITH THIS PLEA
14 WITH ALL OF THOSE ADVISEMENTS IN YOUR MIND?

15 THE DEFENDANT: YES.

16 MR. MATHAI: OKAY.

17 THE COURT: I SHOULD TELL YOU, I AM GOING TO WANT YOU TO
18 TAKE A WAIVER ON THE RECORD.

19 MR. MATHAI: YES.

20 THE COURT: ALL RIGHT.

21 MR. MATHAI: AND I'M GOING TO GO OVER SOME OF THESE,
22 THESE CONSEQUENCES OF YOUR PLEA WITH YOU ON THE RECORD, AND
23 THE JUDGE IS ASKING AND WE ARE ASKING THAT YOU ANSWER THESE
24 QUESTIONS.

25 YOU HAVE CERTAIN RIGHTS THAT ARE RELATED TO YOUR
26 CASE. I AM GOING TO GO OVER THOSE RIGHTS WITH YOU NOW.

27 YOU HAVE A RIGHT TO HAVE IN YOUR CASE A PRELIMINARY
28 HEARING. AT A PRELIMINARY HEARING, THE JUDGE OR MAGISTRATE

1 WOULD HEAR EVIDENCE AGAINST YOU AND DETERMINE IF THERE'S
2 SUFFICIENT EVIDENCE TO HOLD YOU OVER TO ANSWER AT TRIAL.
3 AND AT THAT HEARING YOU WOULD HAVE THE RIGHT TO CONFRONT AND
4 CROSS-EXAMINE WITNESSES, SUBPOENA WITNESSES ON YOUR BEHALF,
5 PRESENT EVIDENCE OF AN AFFIRMATIVE DEFENSE, IF ANY, AND YOU
6 WOULD HAVE THAT RIGHT.

7 DO YOU UNDERSTAND YOUR RIGHT TO A PRELIMINARY
8 HEARING IN THIS CASE?

9 THE DEFENDANT: YES.

10 MR. MATHAI: DO YOU WAIVE AND GIVE UP THAT RIGHT IN
11 ORDER TO ENTER YOUR PLEA OF GUILTY TODAY?

12 THE DEFENDANT: YES.

13 MR. MATHAI: YOU ALSO HAVE A RIGHT OF A TRIAL, EITHER A
14 COURT TRIAL OR A JURY TRIAL. A COURT TRIAL YOU WOULD HAVE
15 IF BOTH SIDES, BOTH YOU AND THE PEOPLE, AGREE TO IT. AT
16 THAT TRIAL, YOU HAVE CERTAIN RIGHTS.

17 YOU HAVE THE RIGHT TO CONFRONT AND CROSS-EXAMINE
18 WITNESSES. YOU HAVE THE RIGHT TO SUBPOENA WITNESSES TO
19 COURT ON YOUR OWN BEHALF. SUBPOENAS ARE COURT ORDERS. THEY
20 ARE ISSUED FREE OF CHARGE TO YOU.

21 YOU HAVE THE RIGHT TO REMAIN SILENT. I SHOULD
22 MENTION YOU ALSO HAVE THAT RIGHT AT A PRELIMINARY HEARING.
23 YOU HAVE THE RIGHT TO REMAIN SILENT, WHICH MEANS YOU DON'T
24 HAVE TO SAY ANYTHING THAT MIGHT TEND TO INCRIMINATE YOU.

25 BY ENTERING A PLEA OF GUILTY OR NO CONTEST, BUT IN
26 THIS CASE GUILTY, YOU ARE WAIVING THAT RIGHT BECAUSE YOU ARE
27 USING YOUR OWN WORDS TO INCRIMINATE YOURSELF.

28 DO YOU UNDERSTAND EACH OF THOSE RIGHTS THAT I'VE

1 JUST ARTICULATED TO YOU?

2 THE DEFENDANT: YES.

3 MR. MATHAI: DO YOU WAIVE AND GIVE UP EACH OF THOSE
4 RIGHTS AS THEY PERTAIN TO A COURT TRIAL OR A JURY TRIAL IN
5 THIS CASE?

6 THE DEFENDANT: YES.

7 MR. MATHAI: I FAILED TO MENTION YOUR RIGHT TO REMAIN
8 SILENT AT THE PRELIMINARY HEARING. DO YOU UNDERSTAND YOU
9 HAVE THAT RIGHT AT THE PRELIMINARY HEARING ALSO?

10 THE DEFENDANT: YES.

11 MR. MATHAI: AND YOU WAIVE AND GIVE UP THAT RIGHT IN
12 ORDER TO -- AT A PRELIMINARY HEARING IN ORDER TO PLEAD
13 TODAY?

14 THE DEFENDANT: YES.

15 MR. MATHAI: OKAY. ALL RIGHT.

16 YOU HAVE -- THERE ARE CONSEQUENCES TO YOUR PLEA.
17 THEY ARE SPELLED OUT IN DETAIL IN THIS FILED DOCUMENT,
18 AGREEMENT. THE MAIN ONE -- I WANT TO HIGHLIGHT JUST A
19 COUPLE WITH YOU HERE ON THE RECORD.

20 ONE OF THE CONSEQUENCES THAT IS IF YOU ARE
21 SENTENCED IN THIS CASE BECAUSE OF A BREACH IN THE AGREEMENT,
22 THAT YOU WILL BE SENTENCED TO A TERM OF NINE YEARS IN
23 CUSTODY.

24 DO YOU UNDERSTAND THAT?

25 THE DEFENDANT: YES.

26 MR. MATHAI: THERE WILL BE RESTITUTION INCLUDED IN YOUR
27 SENTENCING, AND THE COURT WILL HAVE DISCRETION TO FINE YOU
28 BETWEEN \$200 AND \$10,000 TO THE VICTIM'S RESTITUTION FUND.

1 DO YOU UNDERSTAND THAT?

2 THE DEFENDANT: YES.

3 MR. MATHAI: IF YOU ARE CONVICTED AND SENTENCED PURSUANT
4 TO THIS AGREEMENT, THE CONVICTION CAN BE USED AGAINST YOU TO
5 INCREASE THE PENALTY IN ANY OF THOSE FUTURE FELONY
6 PROSECUTIONS THAT YOU MAY HAVE.

7 DO YOU UNDERSTAND THAT?

8 THE DEFENDANT: YES.

9 THE COURT: YOU KNOW, YOU DIDN'T INITIAL THAT IN THE
10 WRITTEN AGREEMENT, NUMBER 31, IT'S NOT INITIALED.

11 MS. JACKS: WE ACTUALLY HAVE THREE COPIES. ON MINE IT'S
12 INITIALED. MAYBE WE OVERLOOKED THAT ONE. SORRY.

13 THE COURT: IT'S ALL RIGHT.

14 MS. JACKS: DO YOU WANT US TO DO IT NOW?

15 THE BAILIFF: I'LL GET IT.

16 MS. JACKS: THANKS.

17 THE COURT: THANK YOU.

18 MS. JACKS: SORRY ABOUT THAT.

19 THE COURT: IT'S OKAY.

20 YOU MAY PROCEED.

21 MR. MATHAI: THANK YOU.

22 AND PARAGRAPH 33 EXPLAINS TO YOU THAT WITH AN
23 EXCEPTION OF AN APPEAL BASED ON A GUILTY -- OR THAT THESE
24 PLEAS AND ADMISSIONS WERE INVOLUNTARY, BY ENTERING A PLEA
25 TODAY, YOU ARE WAIVING AND GIVING UP ANY RIGHT TO APPEAL THE
26 CONVICTIONS TO THE OFFENSE TO WHICH YOU ARE PLEADING GUILTY.

27 DO YOU UNDERSTAND?

28 THE DEFENDANT: YES.

1 MR. MATHAI: AND AGREE?

2 THE DEFENDANT: YES.

3 MR. MATHAI: OKAY. AND I'VE ONLY GONE OVER A FEW OF THE
4 CONSEQUENCES AND I'VE GONE OVER ALL THE CRITICAL RIGHTS THAT
5 YOU HAVE, BUT DO YOU AGREE THAT THIS AGREEMENT THAT WE'VE
6 FILED IS THE ENTIRETY OF OUR AGREEMENT BETWEEN YOU AND THE
7 PEOPLE AS SET FORTH IN THIS FILED AGREEMENT.

8 DO YOU AGREE TO THAT?

9 THE DEFENDANT: YES.

10 MR. MATHAI: OKAY. NOW, YOU'VE HEARD OUR COMMENTS TODAY
11 THAT THE -- THIS PLEA, YOU'RE ENTERING A PLEA AND THE
12 SENTENCING IS GOING TO BE PUT OVER. LET ME JUST ADD IF FOR
13 ANY REASON YOU ARE SENTENCED IN THIS CASE AND IT'S EITHER A
14 YEAR OR YEARS FROM NOW, THERE MAY BE A CHANCE THAT YOU WILL
15 NOT BE SENTENCED BEFORE THIS JUDGE.

16 DO YOU AGREE THAT YOU COULD BE SENTENCED BEFORE
17 ANOTHER JUDGE, ALTHOUGH JUDGE FIDLER IS THE ONE THAT'S
18 ACCEPTING YOUR PLEA TODAY?

19 THE DEFENDANT: YES.

20 MR. MATHAI: AND THE SENTENCING WILL BE PUT OVER, AND,
21 AS I SAID, YOU'VE AGREED TO COOPERATE WITH THE PEOPLE AND
22 THE PROSECUTION OF THE REMAINING DEFENDANTS AND OTHER
23 DEFENDANTS THAT MAY COME BEFORE THIS COURT.

24 I WANT TO KNOW, GO OVER WITH YOU SOME FACTUAL --
25 SOME FACTUAL STATEMENTS THAT PERTAIN TO YOUR STATEMENTS THAT
26 YOU HAVE MADE AND THAT ARE PART OF OUR AGREEMENT. I WANT TO
27 GO OVER THOSE WITH YOU ON THE RECORD.

28 FIRST OF ALL, LET ME SAY, I HAVE -- I AM GOING TO

1 READ TO YOU SOME FACTUAL STATEMENTS. THESE FACTUAL
2 STATEMENTS I'M READING FROM IS FROM A DOCUMENT THAT IS NOT
3 FILED WITH THE COURT BUT HAS BEEN PREPARED IN COORDINATION
4 BETWEEN THE PROSECUTORS IN THIS CASE AND YOUR ATTORNEY, AMY
5 JACKS; IS THAT YOUR UNDERSTANDING?

6 THE DEFENDANT: YES.

7 MR. MATHAI: AND IT IS YOUR UNDERSTANDING THAT MS. JACKS
8 WORKED CLOSELY WITH OUR OFFICE TO GET THE LANGUAGE OF THIS
9 FACTUAL STATEMENT ACCURATE AND COMPLETE.

10 IS THAT -- IS THAT WHAT YOU UNDERSTAND?

11 THE DEFENDANT: YES.

12 MR. MATHAI: HAVE YOU HAD A CHANCE -- BEFORE THIS MOMENT
13 NOW IN COURT, HAVE YOU HAD A CHANCE TO GO OVER THE ACTUAL
14 STATEMENTS THAT I'M GOING TO READ TO YOU NOW, HAVE YOU HAD A
15 CHANCE TO GO OVER THOSE WITH YOUR ATTORNEY TO MAKE SURE THAT
16 THESE STATEMENTS ARE COMPLETE AND ACCURATE?

17 THE DEFENDANT: YES.

18 MR. MATHAI: AND WITH THAT BEING SAID, IS IT YOUR DESIRE
19 TO GO FORWARD AND GIVE A FACTUAL STATEMENT TO THIS COURT AS
20 TO THE BASIS OF YOUR PLEA?

21 THE DEFENDANT: YES.

22 MS. JACKS: ACTUALLY, I THINK THE FACTUAL STATEMENT IS A
23 SUMMARY OF THE PROFFERING INFORMATION.

24 MR. MATHAI: YES. THANK YOU, MS. JACKS.

25 IT'S ACTUALLY -- THE PURPOSE OF THIS IS TO
26 SUMMARIZE STATEMENTS THAT YOU'VE MADE OVER THE COURSE OF
27 SEVERAL DAYS TO THE DISTRICT ATTORNEY'S OFFICE IN PROFFER
28 SESSIONS; IS THAT CORRECT?

1 THE DEFENDANT: YES.

2 MR. MATHAI: I AM GOING TO READ THESE TO YOU NOW, AND I
3 AM GOING TO READ THESE PARAGRAPHS TO YOU, AND THEN I AM
4 GOING TO ASK YOU IF YOU AGREE WITH WHAT IS STATED IN EACH OF
5 THESE PARAGRAPHS.

6 (READING:)

7 1. BEGINNING IN MAY, 2007 -- I'M
8 SORRY -- 2017, WITHOUT ANY PROMISES OF
9 LENIENCY OR OTHER CONSIDERATION, I MADE
10 PROFFER STATEMENTS WITH THE LOS ANGELES
11 COUNTY DISTRICT ATTORNEY'S OFFICE OVER
12 THE COURSE OF SEVERAL DAYS.
13 IS THAT TRUE?

14 THE DEFENDANT: YES.

15 MR. MATHAI: NUMBER 2.

16 (READING:)

17 ALL STATEMENTS MADE DURING THESE
18 PROFFER SESSIONS WERE MADE IN THE
19 PRESENCE OF MY ATTORNEY, AMY JACKS.

20 IS THAT TRUE?

21 THE DEFENDANT: YES.

22 MR. MATHAI: (READING:)

23 3. ALL STATEMENTS MADE DURING
24 THESE PROFFER SESSIONS WERE TRUTHFUL AND
25 BASED UPON MY PERSONAL KNOWLEDGE WHICH
26 WAS ACQUIRED OVER MANY YEARS THROUGH MY
27 PERSONAL PARTICIPATION, MY PERSONAL
28 OBSERVATIONS, AND MY INTERACTION WITH

1 COCONSPIRATORS.

2 IS THAT TRUE?

3 THE DEFENDANT: YES.

4 MR. MATHAI: NUMBER 4.

5 (READING:)

6 DURING THESE SESSIONS, I HAVE
7 CONTINUED TO REFRESH MY RECOLLECTION OF
8 EVENTS BY REVIEWING DOCUMENTS AND
9 CORRESPONDENCE IN MY POSSESSION. I'VE
10 ALSO PROVIDED CORROBORATING DOCUMENTATION
11 TO THE LOS ANGELES COUNTY DISTRICT
12 ATTORNEY'S OFFICE.

13 IS THAT TRUE?

14 THE DEFENDANT: YES.

15 MR. MATHAI: (READING:)

16 5. I WORKED DIRECTLY WITH MUNIR
17 UWAYDAH, M.D., AS A PERSONAL ASSISTANT
18 FROM 2000 TO JUNE 2010.

19 IS THAT TRUE?

20 THE DEFENDANT: YES.

21 MR. MATHAI: (READING:)

22 6. UWAYDAH OWNED AND CONTROLLED
23 MANY COMPANIES AND PROPERTIES EVEN THOUGH
24 OTHER INDIVIDUALS WERE LISTED AS THE
25 OWNERS. THIS WAS ALL DONE INTENTIONALLY
26 SO THAT UWAYDAH COULD HIDE HIS OWNERSHIP
27 AND HIS CONTROL FROM CREDITORS, INSURANCE
28 INVESTIGATORS, AND THE GOVERNMENT

1 AGENCIES. HE EXERCISED ABSOLUTE CONTROL
2 OVER ALL OF THESE ENTITIES.

3 IS THAT TRUE?

4 THE DEFENDANT: YES.

5 MR. MATHAI: (READING:)

6 7. UWAYDAH PURCHASED AND
7 CONTROLLED REAL ESTATE PROPERTY THAT WAS
8 PLACED IN PAUL TURLEY'S NAME USING PAUL
9 TURLEY'S CREDIT.

10 IS THAT TRUE?

11 THE DEFENDANT: YES.

12 MR. MATHAI: (READING:)

13 8. UWAYDAH USED LAWYERS TO SET UP
14 COMPANIES, DRAFT CONTRACTS, AND FILE
15 LAWSUITS TO FACILITATE THE FRAUDULENT
16 ACTIVITY. UWAYDAH WAS THEIR CLIENT
17 GIVING THEM DIRECTION AND PAYING THEIR
18 BILLS EVEN THOUGH OTHERS WERE LISTED AS
19 OWNERS OR OFFICERS OF THE CORPORATION.

20 IS THAT TRUE?

21 THE DEFENDANT: YES.

22 MR. MATHAI: (READING:)

23 9. UWAYDAH CONTROLLED PURPORTED
24 OWNERS, COCONSPIRATORS, AND OTHERS BY
25 VARIOUS MEANS, INCLUDING, BUT NOT LIMITED
26 TO, MANIPULATION, LOYALTY, FINANCIAL
27 INCENTIVES, FRAUDULENT PROMISSORY NOTES,
28 LITIGATION, AND THREATS.

1 IS THAT TRUE?

2 THE DEFENDANT: YES.

3 MR. MATHAI: (READING:)

4 10. BETWEEN 2003 AND 2010, UWAYDAH
5 DIRECTED ME TO PUT MY NAME AS OWNER,
6 OFFICER, OR MANAGER OF VARIOUS
7 CORPORATION OR LIMITED LIABILITY
8 COMPANIES EVEN THOUGH HE WAS THE TRUE
9 OWNER AND CONTROLLED THESE ENTITIES.
10 UWAYDAH SOLELY CONTROLLED THE OPERATION
11 OF THESE ENTITIES, INCLUDING THE FLOW OF
12 MONEY IN AND OUT OF THESE ENTITIES' BANK
13 ACCOUNTS. THESE ENTITIES INCLUDE, BUT
14 ARE NOT LIMITED TO, GOLDEN STATE
15 PHARMACEUTICALS, SPRING BOARD, ORTHOPEDIC
16 DEVICES, GESTUET EICHENHAIN -- THAT'S
17 SPELLED G-E-S-T-U-E-T, NEXT WORD
18 E-I-C-H-E-N-H-A-I-N -- ACCOUNTS
19 RECEIVABLE, LTD, AND MARISA SCHERMBECK,
20 DOING BUSINESS AS SCHERMBECK MANAGEMENT.

21 IS THAT TRUE?

22 THE DEFENDANT: YES.

23 MR. MATHAI: (READING:)

24 11. IN ADDITION TO PUTTING MY NAME
25 AS OWNER OF COMPANIES THAT ACTUALLY
26 BELONG TO UWAYDAH, AT HIS DIRECTION I
27 ALLOWED MYSELF TO BE DESIGNATED AS THE
28 OWNER OR AUTHORIZED SIGNER ON DOZENS OF

1 BANK ACCOUNTS ASSOCIATED WITH VARIOUS
2 UWAYDAH ENTITIES, INCLUDING THOSE ALREADY
3 MENTIONED. UNTIL JUNE 2010, I MOVED
4 MONEY IN AND OUT OF THESE VARIOUS
5 ACCOUNTS AT THE DIRECTION OF UWAYDAH AND
6 NO ONE ELSE.

7 IS THAT TRUE?

8 THE DEFENDANT: YES.

9 MR. MATHAI: (READING:)

10 12. UWAYDAH EXERCISED ABSOLUTE
11 CONTROL OVER THE INCOME FROM THESE
12 VARIOUS ENTITIES. UWAYDAH USED THE
13 INCOME AS HIS OWN. HIS PERSONAL EXPENSES
14 AS WELL AS EXPENSES FOR FRONTLINE OR
15 OTHER ENTITIES WERE PAID FROM WHATEVER
16 ACCOUNTS HAD FUNDS IN IT AT THE TIME
17 WITHOUT REGARD TO WHICH ACCOUNTS BELONG
18 TO WHICH COMPANIES OR WHICH COMPANIES
19 BILLS WERE BEING PAID. UWAYDAH DIRECTED
20 THAT FUNDS BE TRANSFERRED BETWEEN THESE
21 ENTITIES AND THEIR BANK ACCOUNTS WITHOUT
22 ANY DISTINCTION OF SEPARATE ASSETS.
23 HOWEVER, WHEN IT CAME TO FUNDS FROM
24 GOLDEN STATE PHARMACEUTICALS, MONEY WAS
25 FIRST MOVED INTO SCHERMBECK MANAGEMENT
26 BEFORE IT WAS MOVED TO FRONTLINE BECAUSE
27 UWAYDAH DID NOT WANT TO REVEAL HIS DIRECT
28 OWNERSHIP OF THE PHARMACY.

1 IS THAT TRUE?

2 THE DEFENDANT: YES.

3 MR. MATHAI: (READING:)

4 13. ALTHOUGH FRONTLINE MEDICAL
5 ASSOCIATES WAS INCORPORATED IN
6 NOVEMBER 2004 LISTING AMIR UWAYDAH AS
7 51 PERCENT OWNER AND PAUL TURLEY AS
8 49 PERCENT OWNER, BASED ON MY
9 OBSERVATIONS AND EXPERIENCE WITH THE
10 COMPANY AND THE MOVEMENT OF FUNDS IN
11 WHICH I PARTICIPATED, UWAYDAH ACTUALLY
12 OWNED 100 PERCENT OF THE COMPANY. TO MY
13 KNOWLEDGE, PAUL TURLEY NEVER RECEIVED ANY
14 DISTRIBUTION OF SHARES IN INCOME OF THE
15 COMPANY. TURLEY WAS PAID A SALARY LIKE
16 ANY OTHER EMPLOYEE. ON OCCASION, HE HAD
17 TO PLEAD THAT UWAYDAH ALLOW HIM TO
18 RECEIVE HIS SALARY.

19 IS THAT TRUE?

20 THE DEFENDANT: YES.

21 MR. MATHAI: (READING:)

22 14. ALTHOUGH PAUL TURLEY MANAGED
23 THE DAILY OPERATIONS OF THE SAN FERNANDO
24 MEDICAL CLINIC, HE HAD NO ACTUAL
25 AUTHORITY OVER FRONTLINE AND HAD TO ASK
26 UWAYDAH FOR PERMISSION TO DO ANYTHING
27 RELATED TO THE COMPANY, INCLUDING
28 RECEIVED MONEY TO PAY CAPPERS. HIS VALUE

1 TO UWAYDAH WAS THAT HE HAD CONNECTIONS TO
2 LAWYERS THAT WOULD REFER CLIENTS FOR A
3 FEE.

4 IS THAT TRUE?

5 THE DEFENDANT: YES.

6 MR. MATHAI: (READING:)

7 15. UWAYDAH AND PAUL TURLEY PAID
8 VARIOUS LAWYERS FOR ILLEGAL REFERRALS TO
9 FRONTLINE. DEFENDANT JEFF STEVENS, AMONG
10 OTHERS, WAS A CAPPER WHO WAS PAID TO
11 BRING IN PATIENTS FROM VARIOUS LAW FIRMS.
12 I PARTICIPATED IN MAKING SUCH PAYMENTS.
13 DEFENDANTS MARIA TURLEY, TATIANA ARNOLD,
14 KELLY PARK, AND WENDY LUKE KNEW OF AND/OR
15 FACILITATED THIS ILLEGAL SCHEME WHICH WAS
16 REFERRED TO AS, QUOTE, END QUOTE,
17 "MARKETING."

18 IS THAT TRUE?

19 THE DEFENDANT: YES.

20 MR. MATHAI: (READING:)

21 16. THERE WAS A FEE HIERARCHY FOR
22 THESE REFERRALS WITH GREATER FEES PAID
23 FOR SURGICAL CANDIDATES.

24 IS THAT TRUE?

25 THE DEFENDANT: YES.

26 MR. MATHAI: (READING:)

27 17. UWAYDAH EXERTED PRESSURE TO
28 MAXIMIZE BILLINGS FOR EACH PATIENT AND

1 OBTAIN SURGICAL AUTHORIZATIONS FROM
2 INSURERS. UWAYDAH WOULD ENSURE EMPLOYEE
3 COMPLIANCE THROUGH VARIOUS MEANS
4 COMMUNICATED THROUGH MANAGERS, SUCH AS
5 MYSELF, PAUL TURLEY, AND MARIA TURLEY.

6 IS THAT TRUE?

7 THE DEFENDANT: YES.

8 MR. MATHAI: (READING:)

9 18. AN EMPHASIS WAS PUT ON
10 SURGICAL AUTHORIZATIONS. APPROXIMATELY,
11 90 PERCENT OF THE CAP POTENTIAL SURGICAL
12 PATIENTS WERE PLACED ON A SURGICAL TRACK
13 AND WERE AUTHORIZED.

14 IS THAT TRUE?

15 THE DEFENDANT: YES.

16 MR. MATHAI: (READING:)

17 19. AT SOUTH BAY SURGICAL AND
18 SPINE INSTITUTE, PETER NELSON AND THE
19 REST OF THE STAFF WOULD TYPICALLY WAIT
20 UNTIL UWAYDAH PULLED INTO THE PARKING
21 LOT, THEN THE, QUOTE, UNQUOTE,
22 "SURGERIES" WOULD BEGIN. PETER NELSON
23 WAS ALWAYS THE PERSON IN THE OPERATING
24 ROOM. I PERSONALLY WITNESSED UWAYDAH
25 BEING OUT OF THE OPERATING ROOM FOR HOURS
26 AT A TIME WHILE PETER NELSON PERFORMED,
27 QUOTE, UNQUOTE, "SURGERIES."

28 IS THAT TRUE?

1 THE DEFENDANT: YES.

2 MR. MATHAI: (READING:)

3 20. AT MISSION HOSPITAL AND OTHER
4 AREA HOSPITALS, UWAYDAH FREQUENTLY
5 CONDUCTED BUSINESS AND MET WITH MYSELF
6 AND OTHER DEFENDANTS WHILE PETER NELSON
7 CONTINUED, QUOTE, UNQUOTE, "SURGERIES"
8 WITHOUT UWAYDAH'S PARTICIPATION OR
9 PRESENCE IN THE OPERATING ROOM.

10 IS THAT TRUE?

11 THE DEFENDANT: YES.

12 MR. MATHAI: (READING:)

13 21. IT WAS COMMON KNOWLEDGE THAT
14 PETER NELSON'S ACTIVITY IN THE OPERATING
15 ROOM WAS THE BASIS OF A CONTROVERSY WITH
16 THE MEDICAL BOARD OVER THE PRACTICE.
17 THIS PRACTICE OF SURGERY WAS CONSIDERED
18 TO BE HAPPENING WITHOUT UWAYDAH'S
19 PERSONAL PRESENCE AND UWAYDAH CIRCULATED
20 AN OPINION LETTER TO SUPPORT HIS CLAIM
21 THAT THE PRACTICE WAS ALLOWED.

22 IS THAT TRUE?

23 THE DEFENDANT: YES.

24 MR. MATHAI: (READING:)

25 22. I ASSISTED IN PREPARING
26 OPERATIVE REPORTS FOR UWAYDAH AT HIS
27 DIRECTION. HE PERSONALLY WROTE THE
28 REPORT, AND I INSERTED THE CODES. THOSE

1 REPORTS ALWAYS CLAIM THAT HE PERFORMED
2 THE SURGERIES.

3 IS THAT TRUE?

4 THE DEFENDANT: YES.

5 MR. MATHAI: (READING:)

6 23. IT WAS WELL KNOWN WITHIN THE
7 ORGANIZATION THAT MY HUSBAND, PETER
8 NELSON, WAS IN THE OPERATING ROOM FOR
9 HOURS BY HIMSELF WITHOUT DR. UWAYDAH
10 PHYSICALLY BEING IN THE ROOM. HE SPENT
11 LONG HOURS OPERATING ON UP TO TEN
12 PATIENTS A DAY. STAFF WOULD JOKE THAT HE
13 SHOULD BECOME A DOCTOR AND RECEIVE MORE
14 PAY.

15 IS THAT TRUE?

16 THE DEFENDANT: YES.

17 MR. MATHAI: (READING:)

18 24. BILLINGS WERE ROUTINELY
19 SUBMITTED TO INSURANCE COMPANIES
20 REFLECTING THAT UWAYDAH PERFORMED THE
21 SURGERY AND THAT A PHYSICIAN'S ASSISTANT
22 WAS UTILIZED AS WELL. PETER NELSON
23 RECEIVED THE SALARY FOR HIS WORK, BUT HE
24 WAS ALSO PROMISED A PORTION OF THE
25 PAYMENTS FROM THE INSURERS FOR A
26 PHYSICIAN'S ASSISTANT WHEN THE BILLS WERE
27 PAID. THESE WERE REFERRED TO AS
28 RECEIVABLES.

1 IS THAT TRUE?

2 THE DEFENDANT: YES.

3 MR. MATHAI: (READING:)

4 25. ALL OF UWAYDAH'S INNER CIRCLE,
5 INCLUDING ALL THE CHARGED DEFENDANTS AND
6 OTHERS, KNEW THAT UWAYDAH WAS THE TRUE
7 OWNER OF GOLDEN STATE PHARMACEUTICALS.
8 UWAYDAH ARTICULATED THAT HE WANTED A
9 MAXIMUM PHARMACEUTICAL BILLING FOR EACH
10 PATIENT IN SPITE OF THEIR PARTICULAR
11 MEDICAL NEEDS OR CONCERNS. UWAYDAH
12 CREATED A LIST OF PRESCRIPTION
13 MEDICATIONS AND INSISTED THAT EACH
14 PATIENT SEEN AT FRONTLINE BE PRESCRIBED
15 ALL MEDICATIONS ON THE LIST OR AT LEAST A
16 CERTAIN DOLLAR AMOUNT. IF THE TREATING
17 DOCTOR FAILED TO PRESCRIBE ALL OF THE
18 LISTED MEDICATIONS, ANOTHER EMPLOYEE
19 WOULD DO SO. LETI LEMUS AND OTHERS
20 PARTICIPATED IN THIS BEHAVIOR. LEMUS AND
21 OTHERS WOULD OFTEN SIGN DR. JOHNSON'S
22 NAME ON PRESCRIPTION SHEETS. THE BILLING
23 REFLECTED THAT EACH PATIENT WAS
24 ESSENTIALLY PRESCRIBED THE SAME
25 MEDICATION.

26 IS THAT TRUE?

27 THE DEFENDANT: YES.

28 MR. MATHAI: (READING:)

1 26. PRESCRIPTIONS WOULD OFTEN BE
2 RETURNED TO THE CLINIC OR PHARMACY AND
3 THESE MEDICATIONS WOULD BE RELABELED WITH
4 DIFFERENT PATIENT NAMES AND THE INSURANCE
5 COMPANY WOULD BE RE-BILLED FOR THE SAME
6 MEDICATION. DISCREPANCIES BETWEEN THE
7 AMOUNT OF PHARMACEUTICALS PURCHASED BY
8 GSP AND THE AMOUNT BILLED OCCURRED. AT
9 UWAYDAH'S INSTRUCTION, I AND OTHERS
10 ADJUSTED THE NUMBERS SO THAT REGULATING
11 AGENCIES WOULD NOT BECOME AWARE OF THE
12 DISCREPANCY. PAUL TURLEY, MARIA TURLEY,
13 KELLY PARK, TATIANA ARNOLD, LETI LEMUS,
14 JEFF STEVENS, WENDY LUKE, AND OTHERS
15 PARTICIPATED IN THE VARIOUS FRAUDULENT
16 PRACTICES RELATED TO PHARMACEUTICALS.

17 IS THAT TRUE?

18 THE DEFENDANT: YES.

19 MR. MATHAI: (READING:)

20 27. PHARMACEUTICAL BILLING BECAME
21 A LUCRATIVE PART OF THE OVERALL SCHEME.
22 HOWEVER, UWAYDAH DIRECTED THAT TURLEY NOT
23 BE INFORMED OF HOW MUCH HE WAS MAKING
24 BECAUSE HE BELIEVED THAT TURLEY WOULD
25 WANT A LARGER SALARY.

26 IS THAT TRUE?

27 THE DEFENDANT: YES.

28 MR. MATHAI: (READING:)

1 28. OTHER DOCUMENTS WERE FORGED TO
2 FURTHER FACILITATE THE FRAUDS. THEY WERE
3 COMMONLY SENT TO DEFENDANT KELLY PARK TO
4 ACCOMPLISH THIS TASK. THE FORGERIES WERE
5 REFERRED TO AS, QUOTE, UNQUOTE,
6 "MOORPARKING," M-O-O-R-P-A-R-K-I-N-G.
7 THESE DOCUMENTS INCLUDED FORGED PATIENT
8 ARBITRATION AGREEMENTS.

9 IS THAT TRUE?

10 THE DEFENDANT: YES.

11 MR. MATHAI: (READING:)

12 29. UWAYDAH ATTEMPTED TO GAIN
13 CONTROL OVER THE VENTURA COUNTY BUSINESS
14 BANK TO FACILITATE ACCESS TO CREDIT AND
15 THE MOVEMENT OF FUNDS.

16 IS THAT TRUE?

17 THE DEFENDANT: YES.

18 MR. MATHAI: (READING:)

19 30. TO ACCOMPLISH THIS, UWAYDAH
20 TRANSFERRED FUNDS TO PURPORTEDLY
21 INDEPENDENT INVESTORS TO BE INVESTED IN
22 THE BANK ON HIS BEHALF. FRAUDULENT
23 DOCUMENTS WERE PREPARED ATTESTING TO
24 THEIR FUNDS, THEIR INDEPENDENT AND LACK
25 OF CONNECTION TO THE OTHER INVESTORS.
26 TATIANA ARNOLD PARTICIPATED IN THIS
27 PROCESS AND WAS A PROXY INVESTOR FOR
28 UWAYDAH HERSELF.

1 IS THAT TRUE?

2 THE DEFENDANT: YES.

3 MR. MATHAI: (READING:)

4 31. KELLY PARK AND RONNIE CASE
5 WERE ARRESTED FOR THE MURDER OF JULIANA
6 REDDING AND UWAYDAH FLED THE COUNTRY. I
7 WAS LEFT WITH MY NAME ON VARIOUS
8 COMPANIES AND BANK ACCOUNTS. I WAS AWARE
9 OF THE IMPLICATIONS AS TO MY CULPABILITY
10 IN THE FRAUDS. DURING THIS TIME I
11 ATTEMPTED TO DISTANCE MYSELF FROM THE
12 ORGANIZATION AND TO BE INDEMNIFIED BY
13 UWAYDAH FOR ANY CLAIMS AGAINST COMPANIES
14 IN MY NAME. SHELLIE ROSE KELLY AND I
15 EMPLOYED CRIMINAL DEFENSE ATTORNEY ROBERT
16 BERNSTEIN.

17 IS THAT TRUE?

18 THE DEFENDANT: YES.

19 MR. MATHAI: (READING:)

20 32. I SUBSEQUENTLY PROFFERED
21 STATEMENTS TO THE DISTRICT ATTORNEY'S
22 OFFICE AND INVESTIGATORS.

23 IS THAT TRUE?

24 THE DEFENDANT: YES.

25 MR. MATHAI: (READING:)

26 33. ATTORNEYS REPRESENTING UWAYDAH
27 ATTEMPTED TO RETURN CONTROL OVER ENTITIES
28 AND BANK ACCOUNTS UNDER MY NAME TO

1 UWAYDAH'S CONTROL BY FILING FRAUDULENT
2 SUCCESSIVE LAWSUITS UNDER THE NAMES OF
3 DIFFERENT COMPANIES, EACH OF WHICH WERE
4 ACTUALLY OWNED AND CONTROLLED BY UWAYDAH.

5 IS THAT TRUE?

6 THE DEFENDANT: YES.

7 MR. MATHAI: (READING:)

8 34. DURING THIS TIME, I WAS
9 CONTACTED THROUGH MY ATTORNEY BY ATTORNEY
10 BENJAMIN GLUCK, WHO IS REPRESENTING
11 UWAYDAH. HE ATTEMPTED TO OBTAIN A
12 DECLARATION THAT THE PROPERTY SEIZED BY
13 THE POLICE WAS ACTUALLY THE PROPERTY OF
14 FRONTLINE MEDICAL SO HE COULD CHALLENGE
15 THE SEIZURE OF THE COMPUTERS AND THE
16 STORAGE LOCKER BY THE AUTHORITIES.

17 IS THAT TRUE?

18 THE DEFENDANT: YES.

19 MR. MATHAI: (READING:)

20 35. ATTORNEY BENJAMIN GLUCK ALSO
21 ATTEMPTED TO NEGOTIATE THE RETURN OF
22 CONTROL OF THE ENTITIES AND BANK ACCOUNTS
23 UNDER MY NAME TO UWAYDAH'S CONTROL.
24 THESE NEGOTIATIONS ULTIMATELY NEVER
25 CONCLUDED BECAUSE I WAS ADVISED THAT THE
26 RETURN OF THESE ASSETS WOULD FURTHER
27 FACILITATE THE FRAUDS PERPETRATED BY
28 UWAYDAH.

1 IS THAT TRUE?

2 THE DEFENDANT: YES.

3 MR. MATHAI: (READING:)

4 36. I WAS THEN SUED AGAIN BY
5 UWAYDAH'S LAWYERS, INCLUDING BENJAMIN
6 GLUCK.

7 IS THAT TRUE?

8 THE DEFENDANT: YES.

9 MR. MATHAI: (READING:)

10 37. I ULTIMATELY FILED FOR
11 BANKRUPTCY. I WAS CONVINCED BY BENJAMIN
12 GLUCK TO SUE MY FORMER CRIMINAL DEFENSE
13 ATTORNEY FOR MAL PRACTICE FOR ADVISING ME
14 NOT TO TRANSFER THE ITEMS BACK TO
15 UWAYDAH'S CONTROL AS PART OF A SETTLEMENT
16 WITH UWAYDAH. THE PROCEEDS OF THAT SUIT
17 WERE TO GO TO ANY DEBT OWED TO UWAYDAH.
18 HE ALSO PERSUADED ME TO WAIVE MY
19 ATTORNEY-CLIENT PRIVILEGE WITH MY
20 CRIMINAL DEFENSE ATTORNEY AND MY CIVIL
21 ATTORNEY TO FACILITATE THAT LAWSUIT.

22 IS THAT TRUE?

23 THE DEFENDANT: YES.

24 MR. MATHAI: (READING:)

25 38. DURING THE BANKRUPTCY ACTION,
26 BENJAMIN GLUCK AND OTHER ATTORNEYS
27 REPRESENTING UWAYDAH'S INTEREST
28 FACILITATED THE RETURN OF THE ENTITIES TO

1 UWAYDAH'S CONTROL THROUGH THE BANKRUPTCY
2 TRUSTEE.

3 IS THAT TRUE?

4 THE DEFENDANT: YES.

5 MR. MATHAI: (READING:)

6 39. AS PART OF THAT SETTLEMENT,
7 THEY ALSO SECURED PETER NELSON'S
8 AGREEMENT TO COOPERATE IN THE DEFENSE OF
9 ANY ACTION AGAINST UWAYDAH BROUGHT BY THE
10 MEDICAL BOARD.

11 IS THAT TRUE?

12 THE DEFENDANT: YES.

13 MR. MATHAI: (READING:)

14 40. DURING THAT SAME PERIOD,
15 ATTORNEY BENJAMIN GLUCK ASKED ME TO SIGN
16 A DECLARATION THAT THE STORAGE LOCKER
17 THAT WAS RENTED FOR UWAYDAH WAS ACTUALLY
18 RENTED ON BEHALF OF FRONTLINE AND RELATED
19 ENTITIES AND THAT THE MATERIAL THERE
20 BELONGED TO THE ENTITIES AS WELL. THIS
21 WAS NOT TRUE, AND I CORRECTED THE
22 DECLARATION TO REFLECT THE FACT THAT IT
23 WAS ACTUALLY RENTED ON BEHALF OF UWAYDAH
24 AND THAT ALL THE MATERIAL THERE WAS HIS.
25 ATTORNEY BENJAMIN GLUCK THEN ARGUED IN AN
26 E-MAIL EXCHANGE THAT MY EDITS, QUOTE,
27 "NEEDLESSLY AND INACCURATELY CONFUSED
28 THINGS," END QUOTE.

1 IS THAT TRUE?

2 THE DEFENDANT: YES.

3 MR. MATHAI: AND, MS. NELSON, ARE EACH OF THESE
4 STATEMENTS, THESE 41 PARAGRAPHS THAT I HAVE NOW READ TO
5 YOU -- I AM SORRY -- 40 PARAGRAPHS THAT I HAVE NOW READ TO
6 YOU ON THE RECORD, ARE EACH OF THEM COMPLETE AND ACCURATE
7 STATEMENTS WHICH REFLECT STATEMENTS THAT YOU GAVE TO THE
8 DISTRICT ATTORNEY'S OFFICE IN VARIOUS PROFFER SESSIONS IN
9 THE LAST FEW WEEKS?

10 THE DEFENDANT: YES.

11 MR. MATHAI: LET ME ASK YOU, MA'AM, DO YOU -- HAVE,
12 WELL, GONE OVER YOUR CONSTITUTIONAL RIGHTS THAT ARE RELATED
13 TO YOUR CRIMINAL CASE AND TO THIS PLEA? I'VE GONE OVER SOME
14 OF THE SIGNIFICANT CONSEQUENCES OF YOUR PLEA. I'VE GONE
15 OVER A FACTUAL SUMMARY OF PROFFER STATEMENTS YOU HAVE MADE
16 TO OUR OFFICE THAT ARE NOW PART OF THE RECORD OF THIS PLEA.
17 DO YOU UNDERSTAND EACH OF THOSE MATTERS AND WISH TO MOVE
18 FORWARD BY ENTERING INTO A PLEA THIS MORNING?

19 THE DEFENDANT: YES.

20 MR. MATHAI: DO YOU UNDERSTAND THAT YOU ARE GOING TO BE
21 ENTERING A PLEA OF GUILTY, AND THAT A PLEA OF GUILTY IS
22 TREATED BY THIS COURT -- THAT A PLEA OF GUILTY IS JUST THAT,
23 AND THAT BASED ON THIS PLEA, THAT BASED ON YOUR WORDS TODAY,
24 THAT THE COURT WILL ACCEPT YOUR PLEA.

25 DO YOU UNDERSTAND THAT?

26 THE DEFENDANT: YES.

27 MR. MATHAI: HAS ANYONE MADE ANY PROMISES TO YOU OTHER
28 THAN WHAT WE STATED HERE IN OPEN COURT AND WHAT'S

1 MEMORIALIZED IN THIS 12-PAGE AGREEMENT, HAS ANYONE MADE ANY
2 PROMISES OTHER THAN THAT TO GET YOU TO PLEAD GUILTY TO THE
3 CHARGE OF CONSPIRACY AND ADMIT THE SPECIAL ALLEGATION TODAY?

4 THE DEFENDANT: NO.

5 MR. MATHAI: HAS ANYONE USED ANY FORCE OR VIOLENCE ON
6 YOU OR ANYONE CLOSE TO YOU IN ORDER TO CONVINCE YOU TO ENTER
7 THIS PLEA OF GUILTY AND MAKE THESE ADMISSIONS TODAY?

8 THE DEFENDANT: NO.

9 MR. MATHAI: ARE YOU PLEADING FREELY AND VOLUNTARILY AND
10 BECAUSE YOU BELIEVE IT IS IN YOUR BEST INTEREST TO DO SO?

11 THE DEFENDANT: YES.

12 MR. MATHAI: DO YOU HAVE ANY QUESTIONS AT THIS TIME?

13 THE DEFENDANT: NO.

14 MR. MATHAI: MAY I TAKE --

15 THE COURT: DID YOU READ, UNDERSTAND, INITIAL, AND SIGN
16 THE AGREEMENT BETWEEN YOURSELF AND THE PEOPLE OF THE STATE
17 OF CALIFORNIA?

18 THE DEFENDANT: YES.

19 THE COURT: DID YOU DO SO WITH MS. JACKS' ASSISTANCE?

20 THE DEFENDANT: YES.

21 THE COURT: ALL RIGHT. YOU MAY PROCEED TO TAKE THE
22 PLEA.

23 MR. MATHAI: THANK YOU.

24 MARISA NELSON, IS THAT YOUR TRUE AND CORRECT NAME?

25 THE DEFENDANT: YES.

26 MR. MATHAI: AND YOUR TRUE AND CORRECT DATE OF BIRTH,
27 11/29/76?

28 THE DEFENDANT: YES.

1 MR. MATHAI: IN CASE NUMBER BA455469, THE -- I BELIEVE
2 THE LATEST COURT VERSION IS ENTITLED "THIRD AMENDMENT FELONY
3 COMPLAINT" FILED ON JULY 12TH, 2017, HOW DO YOU PLEAD TO
4 COUNT 1 OF THAT COMPLAINT WHICH CHARGES THAT ON OR BETWEEN
5 NOVEMBER 15TH, 2004, AND MARCH 16TH, 2017, IN THE COUNTY OF
6 LOS ANGELES YOU DID COMMIT THE CRIME OF CONSPIRACY TO COMMIT
7 INSURANCE FRAUD, IN VIOLATION OF PENAL CODE SECTION 550,
8 SUBDIVISION (A)(6) OF THE PENAL CODE, A FELONY, HOW DO YOU
9 PLEAD TO THAT CHARGE?

10 THE DEFENDANT: GUILTY.

11 MR. MATHAI: AND TO THE ALLEGATION ATTACHED TO THAT
12 CHARGE PURSUANT TO PENAL CODE SECTION 12022 -- I'M SORRY --
13 PENAL CODE SECTION 12022.6, SUBDIVISION (A)(4), THAT AS TO
14 THAT COUNT AND IN THE COMMISSION OF THAT OFFENSE AND WITH
15 THE INTENDED USE CLAIM YOU DID TAKE, DAMAGE, AND DESTROY
16 PROPERTY OF A VALUE EXCEEDING \$3.2 MILLION WITHIN THE
17 MEANING OF THAT PENAL CODE SECTION, DO YOU ADMIT THAT
18 ALLEGATION?

19 THE DEFENDANT: YES.

20 MR. MATHAI: COUNSEL, DO YOU JOIN IN THE PLEA AND IN THE
21 WAIVERS AND STIPULATE TO A FACTUAL BASIS BASED ON THE FILED
22 REPORTS BY THE D.A. INVESTIGATORS IN THIS CASE?

23 MS. JACKS: YES, I DO.

24 THE COURT: THE COURT FINDS THAT THE WAIVERS AND THE
25 PLEA ARE FREELY AND VOLUNTARILY MADE UNDERSTANDING THE
26 NATURE AND CONSEQUENCES OF THEM. THERE IS A FACTUAL BASIS
27 CONTAINED BOTH IN THE REPORTS AS WELL AS THE AGREEMENT FILED
28 TODAY AND AS WELL AS THE UPDATES I WAS RECEIVING WHILE THE

1 CASE WAS UNDER INVESTIGATION. I DO ACCEPT THE PLEA. DO YOU
2 WANT TO CONTINUE THE SENTENCING TO WHAT DATE?

3 MS. JACKS: I THINK THE DATE THAT YOUR CLERK SUGGESTED
4 WAS JULY 27TH OF NEXT YEAR, 2018.

5 THE COURT: ALL RIGHT. IS THAT AGREEABLE TO YOU, MA'AM?

6 THE DEFENDANT: YES.

7 THE COURT: ALL RIGHT. I WILL SAY AND I'M SOMEWHAT
8 CONCERNED IN THE AGREEMENT, UNLESS I AM EITHER MISREADING
9 IT, YOU HAVE SET UP A POTENTIAL DISQUALIFICATION OF
10 MR. GLUCK FROM REPRESENTING OTHER PEOPLE IN THIS CASE.

11 MR. MATHAI: WELL, I WILL TELL THE COURT THAT WE HAVE
12 BEEN IN, I THINK, SIX OR SEVEN SESSIONS WITH MS. NELSON. WE
13 HAVE RECEIVED INFORMATION, SOME OF WHICH IS, WAS THE COURT
14 JUST HEARD RECITED, AND MS. NELSON AGREED WITH THAT
15 INFORMATION.

16 I DID -- I DID TELL THE COURT -- WE DID TELL THE
17 COURT, I THINK MR. NANTROUP RELAYED TO THE COURT, THAT THERE
18 WERE SOME ISSUES OF CONFLICT THAT WE WERE AWARE OF BEFORE.
19 THOSE ISSUES HAVE BEEN HEIGHTENED BASED ON THESE PROFFER
20 SESSIONS, AND THE PEOPLE ARE PREPARING TO FILE WITH EITHER,
21 PROBABLY TOMORROW, A MOTION -- IT'S ACTUALLY ENTITLED
22 "PETITION FOR A COURT INQUIRY."

23 THE COURT: A COURT WHAT?

24 MR. MATHAI: A COURT INQUIRY AS TO CONFLICT OF INTEREST
25 ISSUES, AND THE COURT WILL SEE IT'S RATHER LENGTHY AND THERE
26 IS A LOT OF ATTACHMENTS BECAUSE IT COVERS A VERY LONG PERIOD
27 OF TIME FROM 2000 -- REALLY FROM 2010 TO NOW, EVEN GOES INTO
28 SOME OF THE HISTORY BEFORE.

1 SO I APOLOGIZE FOR THE LENGTH OF IT, BUT WE HAVE
2 DOCUMENTED SOME OF THESE THINGS AND FROM VARIOUS SOURCES,
3 AND THE MOTION IS PETITIONING THE COURT TO MAKE AN INQUIRY
4 INTO THESE MATTERS.

5 THE COURT: WE WILL GET TO THAT WHEN WE GET TO THAT.

6 MR. MATHAI: ALL RIGHT.

7 THE COURT: THANK YOU.

8 MS. JACKS: THANK YOU.

9 THE CLERK: CAN I INQUIRE OF MS. NELSON IS SHE ON BAIL
10 OR O.R.?

11 MR. MATHAI: SHE --

12 MS. JACKS: WE REQUEST SHE BE RELEASED O.R. BASED ON HER
13 PLEA TODAY.

14 THE COURT: ANY OBJECTION?

15 MR. MATHAI: NO.

16 THE COURT: ALL RIGHT. JUST SEE THAT THE PROPER
17 DOCUMENTS ARE FILLED OUT.

18 MS. JACKS: THANK YOU.

19 THE COURT: ALL RIGHT. YOU'RE WELCOME.

20 THE CLERK: BAIL IS EXONERATED?

21 THE COURT: YES, BAIL IS EXONERATED UPON THE SIGNING OF
22 THE AGREEMENT.

23

24 (THE MATTER WAS CONTINUED TO

25 JULY 27, 2018, FOR

26 FURTHER PROCEEDINGS.)

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES
DEPARTMENT NO. 106 HON. LARRY PAUL FIDLER, JUDGE

THE PEOPLE OF THE STATE OF CALIFORNIA,)
PLAINTIFF,)
VS.) NO. BA455469-04
MARISSA SCHERMBECK NELSON,) REPORTER'S
T/N MARISA SCHERMBECK NELSON,) CERTIFICATE
DEFENDANT.)

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS

I, DIANNA K. CRITTENDEN, CSR NO. 8998, OFFICIAL REPORTER
OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE
COUNTY OF LOS ANGELES, DO HEREBY CERTIFY THAT THE FOREGOING
IS A FULL, TRUE AND CORRECT TRANSCRIPT OF ALL THE
ADMONITIONS GIVEN AND WAIVERS AND ADMISSIONS TAKEN AT THE
TIME OF THE PLEA IN THE ABOVE-ENTITLED CAUSE.
DATED THIS 16TH DAY OF AUGUST, 2017.

_____, CSR #8998
OFFICIAL REPORTER

EXHIBIT 16

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

DEPARTMENT 106

HON. LARRY P. FIDLER, JUDGE

-000-

THE PEOPLE OF THE STATE OF CALIFORNIA,)
)
 PLAINTIFF,)
) NO. BA455469
 VS.)
)
)
)
 PAUL TURLEY,)
)
 DEFENDANT.)
)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

FRIDAY, MAY 3, 2024

APPEARANCES:

FOR THE PEOPLE: LOS ANGELES DISTRICT ATTORNEY
BY: DAYAN MATHAI, DEPUTY
KAREN NISHITA, DEPUTY
211 WEST TEMPLE, SUITE 200
LOS ANGELES, CALIFORNIA 90012

FOR THE DEFENDANT: LAW OFFICE OF ROBERT C. MOEST
BY: ROBERT C. MOEST
2530 WILSHIRE BOULEVARD
SANTA MONICA, CALIFORNIA 90403

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PAGES 1/83-300, INCL.

TRACI THOMAS, CSR 9620
OFFICIAL REPORTER

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DIRECT EXAMINATION BY MR. MATHAI

69

TURLEY, PAUL, (CALLED BY THE PEOPLE)

DIRECT EXAMINATION BY MR. MATHAI

28

DIRECT EXAMINATION (RESUMED) BY MR. MATHAI

33

1 A I WANTED THE PROPERTIES OUT OF MY NAME, SO
2 THEY WERE -- I AGREED, YOU KNOW, TO TRANSFER --
3 TRANSFER THE PROPERTIES TO THESE HOLDING COMPANIES.

4 Q OKAY. SO WHOSE IDEA WAS IT TO TRANSFER
5 THE PROPERTIES TO HOLDING COMPANIES?

6 A MUNIR UWAYDAH'S.

7 Q OKAY. AND HAD YOU VOICED -- PRIOR TO
8 THAT, HAD YOU VOICED TO HIM A CONCERN THAT YOUR NAME
9 WAS ON THESE FOUR PROPERTIES THAT WE'VE BEEN TALKING
10 ABOUT?

11 A I HAD VOICED MY CONCERN FROM ALMOST THE
12 BEGINNING BECAUSE I WANTED NOTHING -- I DIDN'T WANT MY
13 NAME ON THEM.

14 Q OKAY. WHAT WAS YOUR CONCERN EXACTLY?

15 A I DIDN'T -- I DIDN'T HAVE OWNERSHIP, LIKE
16 WE'VE DISCUSSED. I DIDN'T HAVE ANY CONTROL. YOU KNOW,
17 IT WAS, I MEAN, A DRAG ON MY CREDIT ESSENTIALLY. I
18 JUST WANTED MY HANDS -- I DIDN'T WANT TO BE -- I'VE
19 NEVER BEEN INVOLVED IN IT, BUT I JUST WANTED IT FREE
20 AND CLEAR.

21 Q OKAY. SO YOU SAID UWAYDAH CAME UP WITH
22 THE IDEA TO PUT THE PROPERTIES IN THE HOLDING
23 COMPANIES. BUT WHO CONTROLLED THE HOLDING COMPANIES?

24 A WELL, I DIDN'T. SO HE DID.

25 Q OKAY. BUT WHOSE NAME WAS ON THE HOLDING
26 COMPANIES?

27 A MY NAME.

28 Q SO YOU TOOK THE PROPERTIES IN WHICH YOUR

1 NAME SHOWED UP ON TITLE, AND INSTEAD YOU PUT THE
2 PROPERTIES AS BEING HELD BY A HOLDING COMPANY. BUT YOU
3 WERE THE OWNER OR PRESIDENT OR -- ON PAPER THE
4 CONTROLLING AGENT OF THESE HOLDING COMPANIES.

5 CORRECT?

6 A YES.

7 Q SO WHEN WE TALKED ABOUT -- SPECIFICALLY
8 WE'RE TALKING, AGAIN, ABOUT 5007, LLC. THAT WAS A
9 HOLDING COMPANY THAT YOU PUT THE PROPERTY 5007 OCEAN
10 FRONT WALK INTO.

11 CORRECT?

12 A I DON'T REMEMBER THAT NAME SPECIFICALLY.
13 BUT IF MY NAME IS ON THE PAPERWORK, THEN YES, THEN I
14 DID DO THAT.

15 Q OKAY. AND 5509 OCEAN FRONT WALK, DID YOU
16 TRANSFER THAT FROM YOUR NAME TO BEING HELD BY
17 CONNEMARA, A HOLDING COMPANY, WHICH YOU WERE THE
18 PRESIDENT OF?

19 A I RECOGNIZE THAT, YES.

20 Q OKAY. SO ON PAPER, IF ANYONE LOOKED INTO
21 CONNEMARA, THEY WOULD SEE THAT YOU WERE ASSOCIATED WITH
22 IT AS A PRESIDENT OR A MANAGER. BUT IN REALITY IT WAS
23 MUNIR UWAYDAH THAT EXERCISED CONTROL OVER CONNEMARA.

24 A YES.

25 Q AND THAT WAS TRUE AT THE TIME YOU
26 TRANSFERRED THAT PROPERTY, 5509 OCEAN FRONT WALK, INTO
27 CONNEMARA AS A OWNER?

28 A YES.

EXHIBIT 17

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

DEPARTMENT 106

HON. LARRY P. FIDLER, JUDGE

-000-

THE PEOPLE OF THE STATE OF CALIFORNIA,)

PLAINTIFF,)

VS.) NO. BA455469

PAUL TURLEY,)

DEFENDANT.)

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DIRECT EXAMINATION (RESUMED) BY MR. MATHAI

33

1 Q OKAY. AND SO THAT'S WHY I WANT TO ASK YOU
2 SOME QUESTIONS ON THAT SAME SUBJECT HERE.

3 IN YOUR EXPERIENCE OF REPRESENTING
4 DR. UWAYDAH, DID YOU OBSERVE HIM TO HAVE CONTROLLING
5 INTEREST AND OWNERSHIP INTEREST IN ENTITIES, BUSINESS
6 ENTITIES, WHEREIN OTHER PEOPLE'S NAMES ACTUALLY
7 APPEARED ON THE SECRETARY OF STATE DOCUMENTS AND OTHER
8 LEGAL DOCUMENTS AS OWNERS OR PRINCIPALS?

9 A YES.

10 Q IS ONE OF THOSE ENTITIES --

11 WELL, I WANT TO ASK YOU ABOUT A COUPLE OF
12 THOSE ENTITIES TODAY. WELL, ARE YOU FAMILIAR WITH A
13 BUSINESS ENTITY CALLED MEDCONSULT S.A.L.,
14 M-E-D-C-O-N-S-U-L-T, AND THEN THE ABBREVIATION S-A-L?

15 A YES.

16 Q HOW ARE YOU FAMILIAR WITH THAT ENTITY?

17 A IT CAME UP A NUMBER OF TIMES IN MY
18 REPRESENTATION. AND IT WAS LISTED ON A SPREADSHEET OF
19 ENTITIES THAT DR. UWAYDAH CAUSED TO BE SENT TO ME
20 DURING THE REPRESENTATION, WHICH HAPPENS TO BE AN
21 EXHIBIT IN THE BENCH TRIAL.

22 Q OKAY. AND DID YOU -- BASED ON THAT
23 SPREADSHEET AND YOUR INTERACTIONS WITH MUNIR UWAYDAH,
24 DID YOU FORM A CONCLUSION AS TO WHO CONTROLLED
25 MEDCONSULT, S.A.L.?

26 A YES.

27 Q AND WHO IS THAT?

28 A ALONG WITH ALL OF THE ENTITIES ON THE

1 SPREADSHEET, MY CONCLUSION WAS THAT THEY WERE ALL
2 CONTROLLED BY MUNIR UWAYDAH.

3 Q AND DID YOU SEE HIM ACTUALLY EXERCISE ANY
4 CONTROL OVER MEDCONSULT?

5 A DID I SEE HIM?

6 Q DID YOU OBSERVE ANY CONTROLLING BEHAVIOR
7 THAT HE HAD OVER MEDCONSULT?

8 A AS I TESTIFIED DURING THE BENCH TRIAL,
9 THERE WAS AT LEAST ONE TRANSACTION WHERE MEDCONSULT
10 GAVE UP ITS RIGHTS FOR SOMETHING THAT WOULD MAKE --
11 MEDCONSULT GAVE UP ITS RIGHTS IN ORDER TO BENEFIT MUNIR
12 UWAYDAH PERSONALLY IN A WAY THAT WAS CONSISTENT WITH MY
13 CONCLUSION.

14 Q OKAY. DID MUNIR UWAYDAH EVER ASK YOU TO
15 DO ANYTHING, ASK YOU TO DO ANYTHING AS HIS COUNSEL,
16 THAT WOULD BENEFIT MEDCONSULT?

17 A I BELIEVE HE ASKED ME TO FIND COUNSEL FOR
18 THEM, FOR MEDCONSULT.

19 Q DID YOU DO SO?

20 A YES.

21 Q OKAY. AND WHO WAS THAT COUNSEL?

22 A I -- IT WAS THE LAW FIRM OF HALPERN,
23 HALPERN MAY. THE NAME CHANGED A FEW TIMES. IT WAS
24 AARON MAY AND GRANT GELBERG.

25 Q AND WAS THAT -- CAN YOU GIVE US A GENERAL
26 TIME FRAME WHERE HE ASKED YOU TO DO THAT?

27 A I BELIEVE THAT WAS PROBABLY FAIRLY SHORTLY
28 AFTER THE INDICTMENT WAS UNSEALED AT THE END OF 2015.